Gandhi Memorial College Of Education Bantalab Jammu

CASE STUDIES IN MANAGEMENT

DR. P.C. PARDESHI

NIRALI PRAKASHAN

CC-0 Agamnigam Digital Preservation Foundation,New Delhi. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

2011

Gandhi Memorial College Of Education Bantalab Jammu

Ms. Supriya.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE STUDIES IN MANAGEMENT

(FOURTH THOROUGHLY REVISED AND ELABORATELY ENLARGED EDITION)

BY

Dr. PRAKASH CHANDRAKISHOR PARDESHI
M. Com. (Busi. Admn. Costing) M.P.M. (First Class First with Distinction) (Gold Medallist) D.H.E. (B.U.) Ph. D. (Busi. Admn.)
Research Guide, University of Pune, Pune - 7
Head of the Department of Business Administration and Marketing
NESS WADIA COLLEGE OF COMMERCE, PUNE - 411 001.
Formerly,
M.E.S. College of Arts and Commerce, VASCO-DA-GAMA, (GOA)
Government Polytechnic, Panjim (GOA) and
D.M.'S. College of Commerce, MAPUSA (GOA)

Price Rs. 225.00

NIRALI PRAKASHAN

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

NIRALI PRAKASHAN

Publication Office	:	41, Budhwar Peth, Jogeshwari Mandir Lane, **PUNE** - 411 002. Dial - 445 0842
Mumbai Office	:	385, S. V. P. Road, Rasdhara Co-op. Society, Girgaum, **MUMBAI** - 400 004. Dial - 385 6339 / 386 9976
Book Shops	:	**PRAGATI BOOK CENTRE** 157, Budhwar Peth, **PUNE** - 411 002. Dial - 445 8887
	:	**PRAGATI BOOK CORNER** Indira Niwas, 111 - A, Bhavani Shankar Road, Dadar (W), **MUMBAI** - 400 028. Dial - 422 3526.
Show Rooms	:	**PRAGATI AGENCIES** 119, Budhwar Peth, **PUNE** - 411 002. Dial - 445 2044
Nagpur	:	**PRATIBHA BOOK DISTRIBUTORS** Lokratna Commercial Complex, Shop No. 3, First Floor, Rani Zanshi Square, Sitabuldi, **NAGPUR** - 440 012. Dial - 54 7129
Kolhapur	:	**THAKKAR ENTERPRISES** Maner Building, Behind Municipal Bldg. **KOLHAPUR**- 416 012. Dial - 52 0106.
Jalgaon	:	**PRAGATI BOOKS PVT. LTD.** 34, V. V. Golani Market, Navi Peth, **JALGAON**- 425 001. Dial - 22 0395.
Bangalore	:	**PRAGATI BOOK HOUSE** 1676 - 14th, Main Road, Prakashnagar, **BANGALORE** - 560 021 Dial - 3324037/3324437, Fax : 3324848.
©	:	**Dr. P. C. PARDESHI**
Fourth Edition	:	June, 1999.

The text of this publication, or any part thereof, should not be reproduced or transmitted in any form or stored in any computer storage system or device for distribution without the prior permission of Dr. P. C. Pardeshi and Publisher with whom the rights are reserved.

Published By	:	**D. K. FURIA, NIRALI PRAKASHAN,** 41, Budhwar Peth, Jogeshwari Mandir Lane, **PUNE** - 411 002. Phone - 445 20 44 Fax. - 445 08 42. **Email : jignesh@pragatibooks.com** **Visit our website : www.pragatibooks.com**
Printed By	:	**K. J. SHAH, VINAYAK PRINTERS** 119, Budhwar Peth, Jogeshwari Mandir Lane, **PUNE** - 411 002.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Dedicated to
Mr. D. G. Sable
and
Mrs. J. D. Sable
with Love & Respect

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education,Bantalab Jammu

Preface to the Fourth Revised Edition

This is a comprehensive book on Case Studies In Management. I have great pleasure in placing the Fourth Thoroughly Revised and Elaborately Enlarged and darlingly different edition of this book in you hands. Case studies are extensively used in management development programmes. A case study method provides the details of a business problem, the way to tackle a problem, the method to analyse the problem situation, the way to identify alternative solutions and to choose the best solution in the given situation. This widens the horizen of thinking. The participants can be developed in problem solving approach for which they have to concentrate full attention on (i) Marshalling all the facts, aspects, situations variables and (ii) Applying the rules of logic in their value judgements. Once a student understands the case study methodology with the help of case illustrations, I am sure he will be able to solve any case on any areas of manangement. Preliminaries of case study (Part - IV) will help him a lot in this direction as theoretical base is very important.

Since this subject has been introduced for number of management courses/curriculum. I have included innumerable number of cases on different aspects of management. These cases are selected from number of standard books, various reputed magazines on the subject 'business' and 'management' and University Papers in which cases were asked or repeated. The arrangement of the book has been made as under.

PART - I : THE CASE STUDY METHODOLOGY

PART - II : THE CASE STUDY ILLUSTRATIONS

(55 case illustrations, having different issues and problems with full possible solutions suggested answers are given. Similarly, for some cases readers reactions, views, opinions, recommendations with their names are given)

PART - III : THE CASE STUDY EXERCISES

This part has been further divided as -

Section - I : Case Studies In Management

Section - II : Case Studies In Human Resources Management

Section - III : Case Studies In Personnel Management

Section - IV : Case Studies In Industrial Relations

Section - V : Case Studies In Marketing Management

Section - VI : Case Studies In Organisational Behaviour

(Innumerable selected cases mostly repeatedly asked in the University Papers have been included)

PART - IV : THE PRELIMINARIES OF CASE STUDIES

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

This part deals with the necessary preliminary to case studies. This is with a view to enable to student to equip himself with sufficient background and knowledge of principles, techniques of management, Human Resources Management, Personnel Management, Industrial Relations, Marketing Management and Organisational Behaviour. This part has been purposely given at the end so that only those who wish to go into details can find ready reference for some of the aspects of the management, theory, principles, techniques and practices.

SOME SALIENT FEATURES OF THIS BOOK

1. This is a comprehensive book on Case Studies which is the Fourth Thoroughly Revised and Elaborately Enlarged Edition, meets perfectly the requirements of Management Students particularly, M.B.A., M.P.M., M. Com., M.M.S., D.B.M. students who are required to study Cases in Management.
2. This was the FIRST AND ONLY BOOK of its kind when First published in December 1980.
3. This book contains 55 case illustrations fully solved on different aspects of management and altogether more than nearly 300 cases on (I) PRINCIPLES OF MANAGEMENT (II) HUMAN RESOURCES MANAGEMENT (III) PERSONNEL MANAGEMENT (IV) INDUSTRIAL RELATIONS (V) MARKETING MANAGEMENT (VI) ORGANISATIONAL BEHAVIOUR.
4. This book is suitably divided broadly, into FOUR parts. The cases based on practical situations that occur in industries which reflect realistics of work situations. Similarly, the cases mostly asked in the UNIVERSITY PAPERS have been incorporated in the book.
5. The main intention of this book is to enable the students to face the examination with full confidence and to have different perspective view points to motivate them to study different concepts, issues in any functional area of management, hence every effort has been made to make the book most useful and highly indispensable.
6. This book would be also very useful to the teachers, personnel officers, practising managers and a common reader as a very useful tool of learning.

I am very much thankful to Shri. Dineshbhai Furia, Shri. Jignesh Furia for encouraging me to take efforts in the preparation of this book. I also thankful to Dr. S. C. Pardeshi, Mrs. Smita Prakash Pardeshi, M. Com. (First Class), Mr. Siddharth Prakash Pardeshi, B. Com (First Class) and Little Master Siddhant (Jolly) Prakash Pardeshi, Damodar Goud, Pankaj Savla, Santosh Bare, Akbar Shaikh, Shamkant Chandanshive, Nilesh Kenia, Dr. Rashid Pansare, Miss. Anupama Joshi and Shri. Ravindra Gaikwad for their kind assistance and help in the preparation of the Revised Edition.

The suggestions for the further improvement of the book will be warmly welcomed.

1st JUNE, 1999

PUNE

Dr. P. C. PARDESHI

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Archive, Agamnigam

Preface to the First Edition

We have a great pleasure in placing this text book in the hands of Students, on 'Case Studies in Management.' This book is the outcome of considerable case study work and teaching experience. The requirements of the M.B.A., M. Com., M.P.M., D.B.M. and M.M.S. students have been carefully noted while writing this book. The University of Poona has revised the structure of M. Com. Course and the 'Case Studies in Management' has been introduced. Whenever a new course is introduced the main difficulty that is generally experienced by the students as well as teachers is the non-availability of good text books written according to new course. Since we are the Pioneers in writing text books for M. Com students we have written this text book. The case study method being of practical importance to the students of modern management, a new approach has been adopted in writing this book in three different parts. **Part - I** deals with the necessary preliminary to case studies. This is with a view to enable to student to equip himself with sufficient background and knowledge of the Principles and Techniques of management. **Part - II** deals with a good number of illustrative cases. These cases have been thoroughly explained. **Part - III** contains considerable number of exercises in case studies. These are individual exercises that enable a student to analyse and prepare a detail report on them.

The book is notable as the FIRST and ONLY of its kind for the following valuable features :

1. Lucid and clear-cut explanation of theoretical details relating to management principles and practices. Topics are logically arranged in numbered paragraphs.
2. The necessary number of illustrative cases to help the students to grasp the methodology of tackling the case. These cases have been provided in part - II.
3. Part - III contains a number of individual exercises that would enable a student to develop his analytical ability in case study discussion.
4. The main intention of this book is to enable the student to face the examination with full confidence, hence every effort has been made to make the book most useful.
5. An attempt has been made to use most simple and easily understandable language.
6. The arrangement of the book has been made strictly according to Syllabus of M. Com., M.B.A., and M.P.M. examination.

On account of these features we are fully confident that the book will prove to be highly indispensable to the students, teachers and practicing professional managers as well.

December 31, 1980.

– Prof. P. C. PARDESHI

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Acknowledgement

Gandhi Memorial College Of Education Bantalab Jammu

The cases have been selected from the following sources

(i) **Dr. Francis A. Menezes**

Cases in Management (1977)

Tata McGraw Hill Publishing Company Limited.

12/4 Asaf Ali Road, New Delhi - 110 002.

(ii) **Dr. R. M. Shah**

Case Studies in Indian Management (1977)

Jaico Publishing House, 121, M. G. Road, Mumbai - 400 023.

(iii) **Number of Standard books**

(iv) **Various Magazine on 'Business' as well as 'Management' DBM, MMS University**

(v) **M. Com., M.B.A., M.P.M., Syllabus, Question Banks, Papers**

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CONTENTS

PART I : THE CASE STUDY METHODOLOGY 1 – 11

PART II : THE CASE STUDY ILLUSTRATIONS 13 – 256

CASE 1	: KAKA FOUNDARIES LIMITED	17 – 22
CASE 2	: CIMA REFRACTORIES LIMITED	22 – 26
CASE 3	: PLAN FOR EXPANSION	26 – 30
CASE 4	: THE STANDARD TEXTILE PRINTING WORKS	31 – 35
CASE 5	: THE JAI-BHARAT MACHINE TOOLS LIMITED	35 – 39
CASE 6	: CONFUSION OF ROLES	40 – 43
CASE 7	: PIONEER FIRM	44 – 45
CASE 8	: THE GENERAL ELECTRONICS COMPANY	45 – 48
CASE 9	: PROBLEMS OF PROPER CO-OPERATION	48 – 50
CASE 10	: MANAGEMENT SKILLS OR DECISION MAKING	50 – 53
CASE 11	: DELEGATION OF AUTHORITY	53 – 55
CASE 12	: DESIGNING PROPER CHANNEL OF DISTRIBUTION	56 – 58
CASE 13	: CONFUSED FOUNDARY MANAGER	58 – 60
CASE 14	: THE JANATA ELECTRONIC COMPANY LIMITED	60 – 62
CASE 15	: MR. HARI PRASAD : THE ADMINISTRATIVE MANAGER	62 – 63
CASE 16	: OLD FASHIONED MANAGEMENT	64 – 67
CASE 17	: STAFF PERFORMANCE AND AMBITIONS	67 – 69
CASE 18	: WORK STUDY	69 – 70
CASE 19	: WHETHER OR NOT TO ENTER INTO COLLABORATION	70 – 73
CASE 20	: THE PROCESS OF CONSULTATION AND DECISION	73 – 75
CASE 21	: ILLITERATE WORKERS	75 – 77
CASE 22	: DELEGATION	77 – 78
CASE 23	: PLAN FOR EXPANSION	78 – 81
CASE 24	: EFFECTS OF NEPOTISM	81 – 83
CASE 25	: AUTHORITY AND RESPONSIBILITY	83 – 85
CASE 26	: DEALING WITH A STRIKE	85 – 87
CASE 27	: HOW MUCH SHOULD A COMPANY EXPAND ?	87 – 88
CASE 28	: OPPORTUNITIES AND DIFFICULTIES	88 – 89
CASE 29	: PROMISE AND PERFORMANCE	89 – 91
CASE 30	: PHYSICAL TRAINING	91 – 93

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 31 : IRREGULAR ATTENDANCE	93	– 95
CASE 32 : HUBLI PUMPS LIMITED	95	– 99
CASE 33 : SOMANI DRESSES PRIVATE LIMITED	99	– 100
CASE 34 : MAYAB LIMITED	102	– 105
CASE 35 : SHAH & BROWN LIMITED	105	– 107
CASE 36 : VILLIANS OF THE SCREEN	108	– 111
CASE 37 : BEKO ENGINEERING	111	– 115
CASE 38 : FUNCTIONING OF CHIEF EXECUTIVE OF A MANUFACTURING COMPANY	116	– 117
CASE 39 : PAPPU RE-ROLLING MILLS	118	– 121
CASE 40 : POPAT ENGINEERING COMPANY	121	– 124
CASE 41 : SHAUKAT ENGINEERING COMPANY	124	– 128
CASE 42 : TQM AND INNOVATION	128	– 138
CASE 43 : SECRET ADVERSARY	138	– 147
CASE 44 : RIP VAN RAILWAYS	147	– 157
CASE 45 : MAN OR MACHINE	157	– 166
CASE 46 : A PLACEMENT IN HELL	166	– 176
CASE 47 : CUTTING WITHOUT A QUALM	176	– 185
CASE 48 : HOW IMPORTANT IS HR ?	186	– 194
CASE 49 : FROM DIVERSITY TO UNITY	194	– 203
CASE 50 : A TOME BOMB	203	– 211
CASE 51 : SKIN DEEP LOYALTY	212	– 221
CASE 52 : IMPULSIVE SELLERS	221	– 229
CASE 53 : PEPPING UP THE MENU	229	– 238
CASE 54 : THE FUNDAMENTALS OF STRATEGY FORMULATION	238	– 247
CASE 55 : MANAGING IN A MACHINE MARKET	247	– 256

PART III : THE CASE STUDY EXERCISES 259 – 474

SECTION I : CASE STUDIES IN MANAGEMENT

CASE 1 : JOB SATISFACTION	261	– 261
CASE 2 : COPING WITH FRUSTRATION	262	– 262
CASE 3 : EXPERIENCE V/S EXPERTISE	262	– 262
CASE 4 : PROMOTIONS AND DESIGNATIONS	263	– 263
CASE 5 : LEARNING FROM EXPERIENCE	263	– 264
CASE 6 : TOO BIG FOR ONE MAN	264	– 265

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 7	: REMEDY FOR LOW TURNOVER	265 – 267
CASE 8	: EXPAND OR SUFFER	267 – 268
CASE 9	: RELATIVE ON THE JOB	268 – 269
CASE 10	: FROM CLERK TO PARTNER	269 – 270
CASE 11	: A SPACE CASE	271 – 272
CASE 12	: ORGANISING OFFICE STAFF	272 – 273
CASE 13	: THE MECHANICS OF SUCCESS	274 – 274
CASE 14	: FAILURE OF PLANNING	275 – 276
CASE 15	: FROM MANAGER TO ADVISOR	276 – 277
CASE 16	: THE COMPUTER PROBLEM	277 – 280
CASE 17	: INTERNATIONAL COMPANY HEAD OFFICE BEARER	280 – 280
CASE 18	: EXPANSIONS ECSTACIES AND AGONISE	280 – 281
CASE 19	: VILLIANS OF THE SCREEN	281 – 282
CASE 20	: THE TRUCK DRIVER	283 – 283
CASE 21	: MACHINE TOOLS MANUFACTURING COMPANY	283 – 283
CASE 22	: XYZ ENGINEERING COMPANY	284 – 284
CASE 23	: LIGHT ENGINEERING COMPANY	284 – 284
CASE 24	: EFFECTIVE MANAGEMENT IN SMALL FIRM	284 – 288
CASE 25	: UNIVERSITYAS AN ORGANISATION	288 – 288
CASE 26	: THE ONA POWER COMPANY	288 – 289
CASE 27	: THE MADRAS MAKERS COMPANY	289 – 290
CASE 28	: MR. DIXIT THE OPERATOR	290 – 291
CASE 29	: THE MULTI-FLOW PRODUCTS COMPANY LIMITED	291 – 291
CASE 30	: GENERAL INSURANCE COMPANY	291 – 292
CASE 31	: AJIT TRADING COMPANY	292 – 293
CASE 32	: THE EXCELSIOR DEPARTMENT STORE	293 – 293
CASE 33	: THE FINE TEXTILE MANUFACTURING LIMITED	293 – 294
CASE 34	: MR. GOPAL RAO, THE PROPRIETOR	294 – 294
CASE 35	: SUPERVISOR'S ORDERS	295 – 295
CASE 36	: THE STAR PRODUCTION COMPANY	295 – 296
CASE 37	: MADHAV WADKAR	296 – 296
CASE 38	: THE FRUSTRATION	297 – 297
CASE 39	: AUTOMATION - THE COMMUNICATION GAP	297 – 298
CASE 40	: HEAD OFFICE AND BRANCH–ACCOUNTABILITY	298 – 299
CASE 41	: ENVIRONMENTAL CONTROL – THE SAFETY FACTOR	299 – 300
CASE 42	: BLUE BIRD PLASTIC COMPANY	300 – 300

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 43 : POPAT ENGINEERING COMPANY	301	– 302
CASE 44 : TRANSFER INDUSTRY AND THE RECESSION	302	– 303
CASE 45 : SUPERVISOR'S DILEMMA	303	– 304
CASE 46 : MATHUR'S CASE	304	– 306
CASE 47 : COLLABORATION	306	– 306
CASE 48 : SARVODAYA STRUCTURES LIMITED	306	– 308
CASE 49 : FRUIT PROCESSING UNIT	308	– 308
CASE 50 : METHODS OF MANAGEMENT	309	– 309
CASE 51 : STRONG AND SOLID FABRICATORS LIMITED	309	– 309
CASE 52 : SUBSIDIARY COMPANY	310	– 310
CASE 53 : PRODUCTION MANAGER AND PERFORMANCE	310	– 310
CASE 54 : WORK PERFORMANCE	311	– 311
CASE 55 : JOB ORDERS FOR FABRICATION	311	– 312
CASE 56 : RAMESH'S DEFICIENCY	312	– 313
CASE 57 : COMPANY SECRETARY	313	– 313
CASE 58 : FOUNDARY MANAGER	314	– 314
CASE 59 : MANAGING BUSINESS	314	– 315
CASE 60 : ENGINEERING INDUSTRY	315	– 315
CASE 61 : IRON AND HARDWARE COMPANY.	315	– 316

SECTION II : CASE STUDIES IN HUMAN RESOURCE MANAGEMENT

CASE 1 : MAJORITY UNION AND MINORITY UNION	320	– 321
CASE 2 : USHA STEELS PRIVATE LIMITED	321	– 321
CASE 3 : FOOD PROCESSING INDUSTRY	322	– 322
CASE 4 : LATIF TRADING COMPANY	322	– 324
CASE 5 : DAMODAR ELECTRIC SUPPLY CORPORATION	324	– 325
CASE 6 : THE DILEMMA OF MR. HARDIK	325	– 326
CASE 7 : MANAGEMENT DEVELOPMENT PROGRAMME	326	– 328
CASE 8 : PROMOTION OF MRS. SMITA DESAI (AN EMPLOYEE)	328	– 329
CASE 9 : MOTIVATING THE SALE FORCE	329	– 329
CASE 10 : INDRAM ENGINEERING WORKS	329	– 330
CASE 11 : ABC INDIA LIMITED	330	– 331
CASE 12 : MR. K. KISHOR	331	– 331
CASE 13 : A COLLECTIVE AGREEMENT	331	– 331
CASE 14 : MODERN TEXTILES LIMITED	332	– 332
CASE 15 : UDAY ENGINEERING COMPLEX	333	– 334

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 16 : SUNFLOWER BIDI COMPANY	334	335
CASE 17 : DOMESTIC ELECTRICAL APPLIANCES LIMITED	335	336
CASE 18 : ABC AND COMPANY LIMITED	336	337
CASE 19 : "HINDUSTAN INDUSTRIES"	337	338
CASE 20 : BESELER ELECTRONICS (TRAINING COURSE)	338	339
CASE 21 : BOB JONES (PROBLEM OF WEEKLY HOURS)	339	339
CASE 22 : SHARMA'S CASE	339	340
CASE 23 : PIERCE MANUFACTURING COMPANY	340	340
CASE 24 : MARKETING ENGINEER	340	341
CASE 25 : INTERVEIWING PROCEDURE	341	342
CASE 26 : EAGLE AUTO PARTS COMPANY	342	342
CASE 27 : SURESH KADAM	342	343
CASE 28 : COMMUNICATION	343	343
CASE 29 : THE EXCELSIOR DEPARTMENT STORE	343	344
CASE 30 : M/S. PRAKASH TUBES LIMITED (INDUSTRIAL RELATIONS)	344	344
CASE 31 : M/S. NARMADA CEMENT WORKS	344	345
CASE 32 : ADWELL ADVERTISING AGENCY	345	345
CASE 33 : MANAGEMENT DEVELOPMENT PROGRAMME	345	346
CASE 34 : RELIABLE ENTERPRISES	346	347
CASE 35 : GLOBAL GAMBIT	347	350
CASE 36 : UPTRON ELECTRONICS LIMITED (WHICH IS MORE IMPORTANT – RECRUITING OR RETAINING ?)	350	351
CASE 37 : MADRAS FERTILISERS LIMITED (TRUST THE TESTS)	351	352
CASE 38 : HI-TECH FERTILISERS LIMITED (WHOM DO YOU SATISFY ? THE YOUNG OR OLD ?)	352	352
CASE 39 : COROMONDEL CEMENTS LIMITED (TWIST VS. TRUST)	353	353
CASE 40 : UNWANTED PROMOTION	353	354
CASE 41 : JOB SPECIFICATION	354	354
CASE 42 : PLAN FOR ORIGINAL OR BACK-UP (HRM PLANNING)	354	355
CASE 43 : KALYANI ELECTRONICS CORPORATION LIMITED (UNWANTED PROMOTION).	355	356

SECTION III : CASE STUDIES IN PERSONNEL MANAGEMENT

CASE 1 : DELANA HOSIERY WORKS LIMITED	360	360
CASE 2 : PRITAM ENGINEERING WORKS	360	361
CASE 3 : ROBERTSON COMPANY	361	362

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

CASE 4 : PUROHIT GROUP OF INDUSTRIES 362 – 363
CASE 5 : JOB SATISFACTION 363 – 363
CASE 6 ✓: PROMOTION 364 – 364
CASE 7 : SEEMANTINI AGRO PRODUCT COMPANY 364 – 365
CASE 8 : VISHAL INDUSTRIES LIMITED 365 – 366
CASE 9 : BHARAT ENGINEERING COMPANY 366 – 367
CASE 10 : COMPANY SECRETARY 367 – 368
CASE 11 : J.K. COMPANY LIMITED 368 – 368
CASE 12 : PATTERN OF BEHAVIOUR 368 – 369
CASE 13 : DISTRIBUTION OF QUESTIONNARIES 369 – 370
CASE 14 : KIRAN MILLS (TRAINING OF OPERATIVE STAFF AND SUPERVISORS) 370 – 371
CASE 15 : JAI-BHARAT MACHINE TOOLS LIMITED 371 – 372
CASE 16 : SAMUEL GODFRAY STEELS LIMITED 372 – 373
CASE 17 : LATIF TRADING COMPANY 373 – 375
CASE 18 : DAMODAR ELECTRICAL SUPPLY CORPORATION 375 – 375
CASE 19 : MR. HARDICK'S CASE 376 – 376
CASE 20 : MANAGEMENT DEVELOPMENT PROGRAMME 376 – 379
CASE 21 : ABSENTEEISM IN SUCHITRA LEATHER GOODS PRIVATE LIMITED 379 – 381
CASE 22 : THE STANDARD TEXTILE PRINTING WORKS 381 – 382
CASE 23 : THE EMPLOYEE RESPONSE 382 – 382
CASE 24 : THE UNRELATED BEHAVIOUR 383 – 383
CASE 25 : THE STORY OF A STRIKE 384 – 384
CASE 26 : EXCEL ENGINEERS 385 – 386
CASE 27 : ABC ENGINEERING LIMITED 386 – 387
CASE 28 : DILEMMA OF MR. KISHORE KUMAR 387 – 389

SECTION IV : CASE STUDIES IN INDUSTRIAL RELATIONS

CASE 1 : ROYAL ELECTRONICS COMPANY 392 – 392
CASE 2 : THE STANDARD TEXTILE PRINTING WORKS 392 – 393
CASE 3 : LAXMI ENGINEERING LIMITED 393 – 394
CASE 4 : ABC LIMITED 394 – 394
CASE 5 : BEENA ENGINEERING WORKS 395 – 396
CASE 6 : TASKS OF RE-ORGANISATION 396 – 396
CASE 7 : ABC PRIVATE LIMITED COMPANY 396 – 397
CASE 8 : THE CHEMICALS AND FIBRES LIMITED 397 – 398
CASE 9 : A CASE OF THEFT 398 – 399
CASE 10 : COMMUNICATION IN CONFLICT 399 – 400

Gandhi Memorial College Of Education Bantalab Jammu
CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 11 : PARKHE COMPANY	400	– 401
CASE 12 : AN ENGINEERING COMPANY	401	– 401
CASE 13 : VISHNU TEXTILE MILLS LIMITED	401	– 402
CASE 14 : OBEROI GEARS LIMITED	402	– 403
CASE 15 : THE SWEEPERS CASE	403	– 404
CASE 16 : PLANT MANAGER'S CASE	404	– 404
CASE 17 : LATIF TRADING COMPANY	404	– 406
CASE 18 : AN ENGINEERING COMPANY	406	– 407
CASE 19 : THE FAMOUS ENGINEERING COMPANY	407	– 409
CASE 20 : FOOD PROCESSING COMPANY	409	– 409
CASE 21 : GRIEVANCE OF ANIL DESHPANDE	410	– 410
CASE 22 : COMPENSATION FOR ACCIDENT	410	– 410

SECTION V : CASE STUDIES IN MARKETING MANAGEMENT

CASE 1 : BHOSALE AND COMPANY	414	– 414
CASE 2 : THE SCOOTER INDUSTRY	415	– 415
CASE 3 : MODERN BAKERIES LIMITED	415	– 416
CASE 4 : CERAMIC GOODS AND RAJESH KULKARNI	416	– 417
CASE 5 : MARKETING STRATEGY	417	– 417
CASE 6 : THE CRAZY BOTTLING COMPANY	417	– 417
CASE 7 : MANAGING DIRECTORS OF A AND B	418	– 418
CASE 8 : LAUNCHING A NEW PRODUCT	418	– 419
CASE 9 : WATTS AND VOLTS LIMITED (POWER GENERATION EQUIPMENT)	419	– 419
CASE 10 : "DYE-GEN" COMPANY	420	– 420
CASE 11 : MADHAV CAPACITORS	420	– 420
CASE 12 : DIGITAL EQUIPMENT LIMITED	421	– 421
CASE 13 : THE FINE TUNE TELEVISION COMPANY	421	– 422
CASE 14 : 'FIT - KIT' (MARKETING STRATEGY)	422	– 423
CASE 15 : A SCHEME FOR MARKET SEGMENTATION	423	– 423
CASE 16 : ALFA COMPUTERS AND INFO TECH CORPORATION	423	– 423
CASE 17 : RAJENDRA KULKARNI (ADVERTISING AND PROMOTIONAL CAMPAIGN)	424	– 424
CASE 18 : DESIGNING THE CHANNEL OF DISTRIBUTION	424	– 424
CASE 19 : AGRO INDUSTRIAL CO-OPERATIVE SOCIETY	425	– 425
CASE 20 : M/S. CHALLENGER SPORTS OF SHRINAGAR (MARKET SEGMENTATION)	425	– 425

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

CASE 21 : COLOUR CHEM. COMPANY 426 – 426
CASE 22 : MARKETING STRATEGIES OF THE CO-OPERATIVE STORE 426 – 427
CASE 23 : 'CHAP-PALS' (MARKETING STRATEGY) 427 – 427
CASE 24 : THE MANAGEMENT OF THE HEALTH CLUB 427 – 427
CASE 25 : INDIA CAR COMPANY 427 – 427
CASE 26 : SUGANDHA MOUTH FRESHNERS LIMITED 428 – 428
CASE 27 : AMALA FINANCIAL SERVICES 428 – 428
CASE 28 : 'VRIDDHI' 2000 428 – 428
CASE 29 : LIGHTENING COURIER SERVICES (MARKET PLAN) 429 – 429
CASE 30 : SUPER LUGGAGE LIMITED 429 – 429
CASE 31 : AN URBAN CONSUMER CO-OPERATIVE STORE (MARKETING STRATEGIES) 429 – 429
CASE 32 : THE COLD ICE-CREAM COMPANY 429 – 429
CASE 33 : SAME PRODUCT DIFFERENT PACKAGING 430 – 430
CASE 34 : THE PACKING CASE 430 – 431
CASE 35 : BEAUTY COSMETIC LIMITED. 431 – 432

Gandhi Memorial College Of Education Bantalab Jammu

SECTION VI : CASE STUDIES IN ORGANISATIONAL BEHAVIOUR

CASE 1 : AQUARIUS BANKING COMPANY (LEADERSHIP STYLE) 436 – 437
CASE 2 : BEHAVIOUR OF MANOJ (MOTIVATION THEORIES) 437 – 438
CASE 3 : PROBLEM SOLVING PROFILES 438 – 441
CASE 4 : NARMADA RIVER STORY 441 – 443
CASE 5 : THE BUS ACCIDENT 443 – 444
CASE 6 : SUBHODH CORPORATION (MOTIVATION THEORIES) 444 – 444
CASE 7 : COMPUTER PRODUCTION FIRM (ORGANISATION STRUCTURE) 444 – 445
CASE 8 : ZUNZUNWALA TRAVEL (RESISTANCE TO CHANGE) 445 – 445
CASE 9 : CHANDRAKANTA AND SUPERVISOR (GRIEVANCE) 446 – 446
CASE 10 : SALES INCENTIVES AT PRIYA PHARMACEUTICALS 446 – 448
CASE 11 : SHANMUGAM AND THE STORES DEPARTMENT 448 – 450
CASE 12 : THE RUEFUL RESULTS OF RECORDS FROM RELOCATION (GROUP DYNAMICS) 450 – 452
CASE 13 : THE GOLDEN TECHNOLOGY GROUP (RELATIONS BETWEEN MEMBERS) 452 – 453
CASE 14 : CHILDREN'S SUMMER CAMP 454 – 457
CASE 15 : THE NATRAJ METAL PRODUCTS COMPANY 457 – 460
CASE 16 : MR. KRISHNA RAO'S CONFUSION (MANAGEMENT OF CHANGE) 460 – 460

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 17 :	S.S. TRANSPORT COMPANY (BEHAVIOURAL PROCESSES)	460 – 461
CASE 18 :	RAM, SHAM AND HARI (MOTIVATION MODELS – MASLOW AND HERZBERG)	461 – 462
CASE 19 :	VENKAT PAWAR (INTER-PERSONAL PROCESSES)	462 – 463
CASE 20 :	MOTIVES OF RAJESH (MOTIVATIONAL MODELS)	464 – 464
CASE 21 :	PSYCHOLOGICAL PROFILES OF MOHAN (O.B. IMPLICATIONS)	465 – 465
CASE 22 :	TATU AND HIS SUPERVISOR (O.B. MODEL)	465 – 466
CASE 23 :	ISHWAR'S INFLUENCING TACTICS	466 – 467
CASE 24 :	BEHAVIOUR ASPECTS	467 – 469
CASE 25 :	MICROTECH (MOTIVATIONAL APPROACH)	469 – 469
CASE 26 :	ACE MARKETING SERVICES (BEHAVIOURAL ISSUES)	469 – 470
CASE 27 :	ASHOK MITRA (DEVELOPMENT OF PERSONALITY)	470 – 470
CASE 28 :	IMPORTANCE OF ROLE OF MOTIVATION	471 – 471
CASE 29 :	M/S. PUNAG MAHI LIMITED	471 – 472
CASE 30 :	FUNCTIONING OF CHIEF EXECUTIVE OF A MANUFACTURING COMPANY	473 – 473
CASE 31 :	EVEREST STORES PRIVATE LIMITED.	474 – 474

PART IV : THE PRELIMINARIES TO CASE STUDIES

1. **PLANNING IN BUSINESS** **478 – 481**

Introduction – Concept of 'Planning in Business', The Nature of planning – Importance of Planning, A Good Plan – Procedure of Planning – Elements of Planning – Types of Plans – Limitations of Planning.

2. **PRODUCTION PLANNING AND CONTROL** **482 – 488**

Introduction – Methods of Planning – Steps of Factory Planning – Aspects of Planning – Alternative Plans – Control of Production – Techniques of Production Control – Sales Plan

3. **DECISION-MAKING** **488 – 492**

Introduction – Characteristics of a decision – Types of Decisions – The Process of Decision-making – Who makes the decision ? – Techniques used in Decision-making – Aids to Decision-making.

4. **CONTROLLING** **492 – 495**

Introduction – Definitions of the term 'Controlling' – Essential Steps in Control Technique - Types of Control – Requirements of Effective Control System .

5. **COMMUNICATION** **495 – 502**

Introduction – Importance Features of Communication – Types of Communication – Advantages of Written Communication – Disadvantages of Written Communication – Essentials of Communication – Importance of Communication in Management – Barriers of Communication – Overcoming Barriers to Communication.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

6. **MOTIVATION** 502 – 503

Introduction – Types of Motivation – Sound Motivational System – Important Requisites of Sound System of Motivation – Importance of Motivation.

7. **STAFFING** 503 – 505

Introduction – Importance of Staffing Function – Responsibility for Staffing – Relation of Organisation Structure to Staffing – Principal Sources of Managerial Personnel.

8. **MORALE** 506 – 510

Introduction – Definitions of the term 'Morale – Developing Interest Opportunity – Climate of Morale – Reasons for lack of Interest – Measuring Employee Morale – Motivation and Morale.

9. **ORGANISATION STRUCTURE** 510 – 515

Introduction – Dynamic Organisation Structure – Designing of Organisation Structure – The Nature of Organisation Structure – Importance of Sound Organisation Structure – Methods of Improving the Organisation Structure – Principles of Organisation Structure.

10. **FORMAL AND INFORMAL ORGANISATIONS** 515 – 517

Formal Organisation – Characateristics of Formal Organisation – Informal Organisation – Characteristic Features of an Informal Organisation.

11. **ORGANISATION CHART** 517 – 519

Introduction – Steps in the Preparation of An Organisation Chart – Types of Organisation Charts – Principles of Organisation Chart – Advantages of Organisation Chart – Limitations Or Drawbacks of Organisation Charts.

12. **SOURCES OF FINANCE** 520 – 520

Introduction – Long Term Finance – Medium Term Finance – Short Term Capital.

13. **PROMOTION OF EMPLOYEES** 520 – 522

Introduction – Meaning of the Term 'Promotion Basis of Promotion' – Advantages and Limitations of Service Seniority Method – Advantages and Limitations or Disadvantages of Ability Method – Conclusion.

14. **LABOUR ABSENTEEISM** 522 – 524

Introduction – Causes of Labour Absenteeism – Miscellaneous Reasons – Effects of Absenteeism - Remedies for Absenteeism.

15. **LABOUR TURNOVER** 525 – 527

Introduction – Rate of Labour Turnover – Effects of Labour Turnover – Measurement of Labour Turnover – Causes of Labour Turnover – Other reasons – Measures to Reduce Labour Turnover.

16. **EMPLOYEE REMUNERATION** 527 – 528

Introduction – Ways of Remuneration – Factors which determine the Level of Remuneration – The General Principles of Be Brone In Mind while considering The Introduction of An Incentive Scheme.

17. **INDUSTRIAL DISPUTES** 528 – 529

Causes of Industrial Disputes – Machinery for Prevention – And Settlement of Disputes.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

18. LABOUR WELFARE 529 – 530

Introduction – Meaning of the Term 'Labour Welfare' – The Necessity of Labour Welfare – Advantages of Labour Welfare.

19. EFFICIENCY OF INDUSTRIAL WORKERS 530 – 533

Introduction – Meaning of the Term 'Efficiency' – Factors Affecting Efficiency of Labour – Measures to remove the causes of Inefficiency – Efficiency of Indian Labourers – Conclusion.

20. COLLECTIVE BARGAINING 533 – 534

Introduction – Definitions of the Term 'Collective Bargaining' – Procedure of Collective Bargaining – Procedure of Collective Bargaining – Matters included in Collective Bargaining. Conditions for the Success of Collective Bargaining.

21. INDUSTRIAL RELATIONS 535 – 536

Meaning of the term 'Industrial Relations – Ten Commandments of Industrial Relations – Essentials of Industrial Relations.

22. TRADE UNION 536 – 543

Definitions of the term 'Trade Union'– Role played by Trade Union – Social Responsibilities of Trade Unions – Difficulties and Defects or Problems of Trade Unions in India – Measures to Strengthen Trade Union in India.

23. COMPARISON OF NEED IN THE CONTRIBUTIONS OF MASLOW, HERZBERG AND MC CLELLAND 543 – 543

The Distinction between Theories of Maslow, Herzberg, McCelland.

24. JOB SATISFACTION 543 – 544

Factors Affecting Job Satisfaction – The factors which influence Job Satisfaction – Job Satisfaction and Productivity.

25. MANAGING RESISTANCE TO CHANGE 544 – 545

Some of the steps for Managing Resistance to change - Seven Tactics.

26. ORGANISATIONAL RENEWAL 546 – 547

Factors in Organisational Renewal Process – Organisational Development – Incorporating Changes in Organisational Development Programme.

27. MARKETING 547 – 550

Introduction – Definitions of the term 'Marketing' – Traditional Approach to Marketing – Modern Approach to Marketing – Traditional Approach V/s Modern Concept of Marketing.

28. MARKETING MIX 550 – 553

Introduction – Four P's of Marketing Mix – Product Mix – Price Mix – Physical Distribution Mix – Promotion Mix – Factors Affecting Marketing Mix.

29. MARKETING RESEARCH 553 – 555

Introduction – Meaning of the term 'Marketing Research' – Areas of Marketing Research.

30. MARKET RESEARCH VS. MARKTING RESEARCH 555 – 555

Distinction between Market Research V/s Marketing Research.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

31. DIFFICULTIES IN MARKETING PLANNING 556 – 556

Introduction – Difficulties Associated with Marketing Planning.

32. BUYING MOTIVES 556 – 557

Meaning of the term 'Buying Motives' – Classification of Buying Motives – Emotional Product Buying Motives – Rational Product Buying Motives – Patronage Buying Motives – Emotional Patronage Motives – Buying Motives – Rational Patronage Buying Motives.

33. CONTROLLABLE MARKETING VARIABLES 557 – 558

Types of Marketing Variables – Corporate Resources – Marketing Mix.

34. THE MARKETING PLANNING 558 – 560

Introduction – The Marketing Planning Process – Importance of Marketing Planning – Essentials of Effective Planning / Planning Process – Types of Marketing Plans – The Problems Involved in the Marketing Planning.

MANAGEMENT PARLANACE 561 – 563

MANAGEMENT THOUGHTS 564 – 566

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART I

THE CASE STUDY METHODOLOGY

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

THE CASE STUDY METHODOLOGY

A case study is an important contribution to learning and teaching. It is regarded as a modern management tool. A case is a real life situation brought into the classroom. A case consists of facts, happenings in series, involving people therein, who act or inact people who decide or do not decide in a given situation. A case study has a different meaning, depending on how it is used. To some people, it will mean as legal case, a precedent that can be usefully followed; to the researcher, a case may appear as a vehicle for testing hypothesis. We are concerned with the form of case study most suited to our objectives in management education. This form of case study will present the student with an authentic management problems.

Under this method, the trainees are given a problem to discuss. The instructor has to collect cases on a subject areas which would represent a variety of real issues inherent in the study of the subject. The trainee gets an opportunity to apply his knowledge to the solution of realistic problem. In using cases for training, the participant is made to diagnose a real business situation and to determine the alternative choices open to him. Thus, the trainee is helped to understand and analyse complex situational factors. Each case discussion is supported by back-ground notes which the teacher assigns to the class for prior preparation. These notes may be about relevant concepts or related research findings on the subject. The important benefit of the case study is that the students are learning the art of disagreeing being disagreeable. The case study technique is based on the belief that the trainee can best attain managerial understanding and competence through the study, contemplation arid discussion of actual situations. The rigorous analysis required, especially in a longer cases, is said to develop habits of logical thinking and searching for as complete information as possible before arriving at conclusions. Experience in arguing a viewpoint before one's peers also develops ability to communicate clearly.

Case studies are extensively used in teaching Law, General Management, Human Resources Management, Personnel Management, Industrial Relations, Trade Unions, Marketing, Financial Management, Organisational Behaviour etc. It should be noted that there cannot be a single answer to a particular problem. The solution of each student trainee may differ. In the words of "*Francis A Menezes*" a case does not present the right or wrong way of doing things given the fact that it takes place within a specific time dimension, the company's decisions (Or, for that matter, the participant's decisions) are not judged as correct or incorrect. But, by breaking up a case into several parts, it creates the excitement of anticipation and introduces some element of suspense in the classroom. In the final analysis, a case will stand or fall on the strength of how useful it is as a teaching device.

Ref. Dr. P.C. Pardeshi *'Case Studies in Management'* Ujwal Prakashan, December 1980.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

A case is a written description of an event. It is a broad range of skills. It contains information regarding many facets of the enterprise : its history, internal and external environment, its operations etc. The information given in the case may not be sufficient to arrive at decision however, the manager has to make reasonable assumptions about things which are unknown.

A case study enables participants to develop a new sense of judgement, analytical ability, interpretative capacity and a new creative behaviour based on vision and perspectives. It helps to encourage students to think with original ideas and with greats motivation. It is helpful to trainees. The participants begin to approve the feelings and sentiments of other people and discover the force of their arguments.

The Case study method developed in 1910 in USA and now being propagated during the last decade or so, provide opportunities to both the teacher and the taught to promote managerial understanding and competence, since it helps in contemplation and discussion of actual situation. It is a wrong notion that case studies are confined to management students. Cases may pertain to any discipline, from Sociology to Sexology and from Psychology to Astrology, where skills for solving complex instructured problems or preparing plans are required. The origin of the case study methods itself is from Harvard. Lawyers Cases may describe problems facing individuals, groups, in situations or even Nations.

Cases are different from 'Exercises'. An exercise is to learn and apply a particular concept, technique or principle. A case is to learn a broad range of skills and has many alternatives while an exercise has only one situation and one way of reaching that solution. Case studies are to practise and attain analytical and communicative skills.

A case as defined by *Reynolds* is a sort description in words and numbers, of an actual management situation. It describes the present and past positions of the situation and the problem that is posed. All the data are provided. A case consisting the history of the situation may be small or lengthy. Small ones may be lacking particulars and hence, may be taxing with more assumptions than realities while lengthy ones may not project the conflict correctly and therefore, solution may seem easy without much alternatives. All available information may not be sufficient and at the time of analysing a case, further information may have to be injected.

A written case study could be anything from 300 to 6000 words long. The length will depend on the purpose for which it is being used, type of participants and availability of time. The parts of a Case study generally are :

(i) A subject (example: Customer relations).

(ii) A setting (example: The Office of VP (Marketing).

(iii) Data (example: Nature and number of complaints received by the department).

(iv) Background (example: Type of complaints from customers, dealers, officials, others, etc.).

Once the above particulars have been decided further writing only consists of description, characterisation and narration. These elements could, directly be combined and written into the case study or first thought out and written separately and then put together. The description should not be too much.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The description should be in simple easy-to-understand language. There should not be too many characters and each one should be carefully thought of in terms of personality traits. The term 'Narration' refers to the plot or sequence of events which may be developed upto a climax and then participants asked to think about what followed or possible solutions to the problems.

TYPES OF CASES

There are various types of Case studies.

1. **Informational type case studies :** This type includes a variety of items like working environment, inter-organisational context, co-ordination activities, problems areas, history of events, inhibiting factors on decision-making etc. This type increases the awareness about the environment, help in decision-making process. This also helps in evaluation of consequences of a decision.
2. **Appraisal Cases :** Involving problem solving and decision-making.
3. **Historical Cases :** Involving research and educational interests.
4. **Project Cases :** Involving radial educational process involving interactions.
5. **Live and Experimental Cases : Or Functional Cases :** Involving social welfare, rehabilitation or introduction of ideas and analytical concepts. These types of cases help in analysing socio - psychic problems like drug addiction, alcoholism, dowry etc.

Whatever be the type of Case study, just as a Doctor diagnoses the disease by a critical examination and does not go about just by symptoms, one should go about locating the real problem by an indepth study of the case rather than a surface study of the symptoms and then look in for solutions. There will be certain areas of agreement and some of disagreement. Once these symptoms are listed out one would be able to diagnose the real problems and then find solution therefore.

The habit of logical thinking and conceptalisation can be developed through a systematic study of cases. Analysis of cases enables arguing view points with peers and this again develops good communicative skills. A case study can be stated to be the midway between a real World Project and an Exercise. Thus, a Case study method of learning helps in developing skills on alternatives and decision-making. Case studies simulate environment. Case studies are to help 'Creative' problem solving techniques.

SIX MAJOR SKILLS AREAS

According to *Geofftaston* (Learning From Case studies, Prenctice Hall 1982), *the following six major skills areas are developed through Case studies.*

1. **Analytical Skills :** One learns to classify, organise, and evaluate the information handled. Using this information, one attempts to understand the situation as described. This is, however, fraught with the danger of not thinking logically when the information is taxing.
2. **Application Skills :** This is at a lower level were concepts and principles are applied e.g. discounted case flow.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. **Creative Skills :** Unlike an exercise which may be solved by logical process also, cases cannot be solved by logical process alone. Creativity is a vital quality for a manager and is more useful in decision-making.
4. **Communicative Skills :** By writing well construct reports, analysis and by discussions, both written and oral communicative skills are developed.
5. **Social Skills :** Case discussions are essentially social processes. One learns to communicate, listen, support, argue, control oneself etc. In fact, there is a belief that case courses are more of human behaviour than problem solving.
6. **Self Analysis Skills :** A case is always useful in application of the situation to oneself and analyse the situation with reference to self. Thus, it helps in self-improvement.

Thus, cases provide with the opportunity to improve the skills. The benefits of the case study are that through group discussion a participant can form a more objective view of his function and as views expressed must be reasoned out in the presence of others, it helps in skills of logical deduction and analysis. The method is, therefore, often best sited to attitude development.

PURPOSES OF CASE STUDY

There are several management problems where there are no clear cut solutions. While dealing with such issues one of the best tools available in the Case Study. One can draw upon a wealth of experience by the Case study method since the cases themselves are generally developed from experience. The case study can serve several purposes.

Some of the purposes of Case Study are :

1. **A cautionary story :** The case study can be used as a cautionary story so that the participants do not make the mistakes committed by others. (e.g. Concept of many safety errors).
2. **Arousing keen interest :** To arouse keen interest among the managers and to get them involved in solved a problem by themselves.
3. **General conclusions :** The case study may be used for arriving at general conclusions on important management principles from specific examples. (e.g. Concept of delegation).
4. **Practising techniques :** Practising techniques or applying principles in the risk free environment of a class room (e.g. Making an investment decision based on supplied information).
5. **Extending experience by role playing :** Extending experience by role playing various parts which often cannot be done in real life (e.g. Be able to view a problem from someone else's point of view through the eyes of a Finance Manager).
6. **To develop analytical thinking :** To expose the students to real world situations. To understand how managers in real world respond to problems, opportunities and challenges. And to help them to develop analytical thinking and perspective creation.

In a developing country like India, there are certain limitations and constraints in using the Case study method although this is an innovative technique in improving managerial skills. There are various problems like languages, socio-political and cultural mileu,

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

religious fervours, shyness of the participants, secrecy in sharing of information, lack of professional skills and non-acceptance of existence of such skills. Problems in dissemination of information and dissipation of details are the other constraints. Impatience of participants in going through lengthy case studies replete with details and criticism about short cases deplete with information and lack of depth of knowledge are other problems. Time constraint for discussion of case study method and lack of purposefulness are other problems associated in imparting training with case study methods.

In spite of all the constraints, case study method is an extremely important tool in imparting managerial skills, particularly in developing the conceptual skills most essentially required at senior managerial level where problem solving and empathy are the watchwords.

MAIN REASONS FOR CREATION OF A CASE

Generally, the following grounds lead to create a problem :

1. Miscommunication / Lack of communication.
2. Misunderstanding/misinterpretation,
3. Lack of practical and pragmatic approach to solve the problem.
4. Lose talk or gossiping.
5. Lack of sense of proportion.
6. Lack of considerateness towards others.
7. Illogical thinking.
8. "I can do it better" feeling.
9. Lack of trust and faith in subordinates or collegues.
10. Conservative approach towards matters of diagreement, disputes.
11. Non-adherance of principles of management, ethics, etc.
12. Attitude of superior or responsible authority or union leader such as – favour, fear or failure.
13. Vindictive or revengeful (*Badla*) attitude.
14. Diplomatic, tactful or fictitious domination.
15. Spreading of rumours with an intention to destruct, damage, democratic of defame one's image/status.
16. Greediness – money profits, incentives, wage-salary rise, fringe benefits.
17. Lack of perception, visualisation, planning.
18. "Jumping at conclusion" (End-result) attitude i.e. hasty decisions.
19. Prejudices, jealousy, impracticable approach.
20. Wrong hypothesis.
21. Doubtful attitude.
22. Temparament, cultural background.
23. Tense atmosphere.
24. Lack of depth of knowledge.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

CASE STUDY AND SIMULATION, ROLE PLAY AND BUSINESS GAME

There are different methods of teaching viz. lecture, case study, group discussion, simulation, role playing, business games, written assignments, project work, job training etc. First of all, it is necessary, to take care to avoid confusion between a case study and a simulation. The two are quite different training techniques. The case study samples real life through incidents or cases for the primary purpose of study. Simulation, role play and the business game deal with real events played out largely for the purpose of study. Simulation, role play and the business game deal with real events played out largely for the purpose of providing "controlled" experience. In the case study largely for the purpose of providing "controlled" experience. In the case study, the action is about doing something in a simultaneous we actually start action. In the case study, trainees are witnesses to rather than participants in the events.

ADVANTAGES OF THE CASE STUDY

The following are the advantages of Case Study Method :

1. **Broadens participants understanding and provides an improved guide to action :** A case study presents a sample of business life in slow motion out of sometimes limited data by asking effective questions. They develop the habit of taking a greater number of factors into account than usual. The objective, diagnosis of causes and alternative solutions, broadens participants' understanding and provides an improved guide to action. Learning is likely to occur to the extent that a trainee's colleagues evaluate and reinforce his conclusions and the way in which he arrived at them.
2. **Encouragement to develop flexibility in the participants approaches to organisational problems :** Case study analysis and debate, as well as exposure to the experience and opinions of other trainee managers, help participants to realise that there are several ways of looking at, thinking about and acting in a particular business situation. Thus, they are encouraged to develop flexibility in their approaches to organisational problems. They learn to recognise that for most cases, there is no single "right" solution. There may be degrees or shades of right and wrong, but the problem has to be seen as a whole in its total context.
3. **A systematic way of thinking about business issues and managerial decisions :** The method developes a systematic way of thinking about business issues and managerial decisions. Through examination and diagnosis of situations comparable to their own, participants may be drawn to re-examine their own attitudes and relationships. It inculcates the habit of grasping and understanding.
4. **Developing the ability of analysing the problems :** Case study method develops the ability of analysing the problems, ability of logical thinking and presenting one's views in the content to others.
5. **'Experience Pool' :** Case study utilises experience of member of the whole group, which invariably encourages cross fertilization of ideas, views opinions and recommendations.
6. **Discovery of underlying management principles :** In the course of studying and making decisions on a number of cases, participants will discover some of the underlying principles of management.

CC-0. Panjab Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

7. **It is a convenient means of exposing participants :** Using case studies is a convenient means, of exposing the participants to a diversity of business situations and problems, during a training course. All the participants will have sufficient opportunity to think, participate and interact.
8. **Patient listening :** Case study method pre-suppose collective thinking. Thus, it helps to develop an ability of patient listening which is important in problem solving approach.
9. **Broadens perspective :** Case study broaden the perspective of the participants. It develops positive change in the participant. he can visualise the situation before arriving at the conclusion.
10. **Accomplishment of several objectives of management development programmes :** Using case study method accomplishes several objectives of management development programmes ;
    (i) A case study distributes knowledge and facts;
    (ii) A case study improves participants skills in problem analysis, communication and decision-making;
    (iii) A case study affects attitude formation and particularly, brings home to the participant that nothing is absolutely "right" or "wrong" in the field of human behaviour.

APPLYING THE CASE STUDY METHOD

As stated earlier, the case study provides a learning situation which depends on involvement and participation in group discussion for its success. It is essential that those using the method have a thorough knowledge of discussion leading techniques. Discussion should be focussed, yet free and informal.

Gauging the proper time and the way to draw trainee's attention now to other people's now to specific issues, now to general principles, is the instructor's most difficult task. Provided he sees his role as that of a developer, a changer of attitudes he is not intervene when he feels it is necessary but not so that members "freezes" "he must listen to other people's feelings instead of the kin of his own".

No two trainees will view a given case in exactly the same way; although they will generally agree on the existence of certain issues their interpretations are likely to be very different. The implication for the case leader is that he cannot be too dogmatic that there is no one right answer, etc.

Good case discussion also generally requires conscientious preparation by the participants. Only with a thorough knowledge of the data can the group avoid abstract arguments and concentrate instead on a meticulous considerations of available data. The accent must be on study, by means of which the participant is able to explore details of motivation and action which he might otherwise ignore.

To select the right case, at the right moment, the instructor needs a good understanding of his group for it is primarily, the members that he is teaching, not the case. He should have several cases from which to choose, and they should be suitable for the needs of the group.

Ref. N Ramaswami *'The value of Case Study Methods'* Financial Express Bombay Tuesday, October 1,1991 Page 7.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

SWOT ANAYSIS

Another method to solve any case is S.W.O.T. analysis i.e.

S Stands for Strength (*'Shakti'*, *'Taquat'*)

W Stands for Weakers (*'Kamjori'*, *'Kamtarta'*)

O Stands for Opportunity (*'Chance'*, *'Sandhi'*)

T Stands for Threat (*'Daar'*, *'Dhamki'* or *'Bhay'*)

These important elements / Pillars of SWOT analysis can be described as under :

Strength is virtue. Strength is an act done by an individual or authority which should have been done in that manner only. When the principles of natural justice are observed and the act is in confirmity withthe law then that act can be regarded as strength. Some of the prominent landmarks of strength are – Generosity, sympathy, mercy, compassion, love, faith, pardon, an action with strong will power devotion, dedication, affection, charity etc.

Weakness is shortcoming, lapse, disregard, misconduct, carelessness, negligence, disrespect, ego, unkindness, illegal act, violation of principles of natural justice, tendency to damage, destruct, demorable, suppress or dominate the other party.

Opportunity is a positive weapon a, chance. Any individual or an authority has to provide sufficient opportunity in terms of money, time, target, condition, clause, while interacting with other party. If the opportunity is deprived to the opposite party or an opponent it turns into its weakness.

To quote *Khopkar*[1] where opportunity disappears,

Threat emerges and if Strength is killed,

Weaness takes birth.

Threat is a negative weapon which is closely associated with authority, power, force, vindictive attitude, revengeful attitude, ill motivated human force. Under threat principles of natural justice are *not* observed. Threat is an arbitrary kind of practice. This kind of practice rarely produces expected or desired results. Threat has not significant place due to advent of human resource development and attitudinal changes on the part of management as well as trade unions. In modern days, threat to a great extent has been replaced by tolerance, tenacity, acceptance, patiences and broader perspective of social justice.

In case studies one should find out what is the Strength, Weakness, Opportunity or Threat in the case. One has to exploit his full skill and abilities. However, SWOT analysis cannot be applied to all cases. There is scope of SWOT analysis when interaction takes place between two or more parties. In case of a single or one person there is noscope for SWOT analysis.

STEPS IN THE CASE STUDY METHOD OR GUIDELINES OF CASE STUDIES

There cannot be a single answer solution to a particular problem. The solution of each student may differ. There are no hard and fast rules for analysis of cases. Some general guidelines can be given as follows :

---

[1]Ref. Khopkar S.A. Cases in Personnel Management & I.R. and O.B.

CC-0. Chandigarh Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(I) Defining or discovering or identifying the specific problem or question : (Background)

This is the first step in case studies or analysis. The basic issues are required to be defined. Irrelvant data should be weeded out. Factors of cause can also help in indentifying a problem or issues involved and a brief description of the case is own words is to be given as the background of the case. This will indicate whether or student has understood the case or not. Thus, the first part may present only the background.

(II) Analysis of problem or exploring the problem :

Then the students have to analyse these problems i.e. (analyse the information and data) Examine the statements, they have to suggest alternatives for decision-making and have to make predictions on what the company did and what were the effects ? Thus, the analysis is the process of breaking down a problem into rational, easily understood divisions which can then be examined separately. The students should comment or make observations on the analysis.

(III) Evaluating findings, establishing conclusion or suggesting or recommending final solution or alternatives or action possible is given situation :

The alternatives for solution or decision should grow out of analysis. A standard unalterable rule is that effective decisions evolve from a number of alternatives. Every analysis should yield material by atleast one hypothesis - a possible answer. Under this stage, the students should discuss, the alternatives available by obtaining a solution. The final solution may not be the most desirable one from managements point of view. It may be, that has the greatest number of satisfactory features, the least amount of or minimum risk, the greatest prospect by working out with minimal disturbance.

The students need to learn that most decisions represent compromise, some adjusting of points of views of interests and of needs. It should be noted that a solution rarely involves a single act. A series of moves may be necessary on succession.

A STUDENT IN CASE ANALYSIS

The students should note the following points while making analysis of cases :

1. **Reading the case :** The students should read the case. It is necessary to cultivate the habit of fast reading. Underline/mark the points or sentences/facts, phrases, crucial words dialogues that they think are important. They should try to determine the major and minor problems.
2. **Preparing environmental profile :** The students should read the case again to understand the facts given in the case and prepare environmental profile.
3. **Collection of background information :** As a supplementary reading, the students should collect maximum background information about the industry or business or a unit on which the case is based on the environmental conditions prevailing by the same. The facts should be arranged in a chronological order.
4. **Exploring a situation in depth :** The students must explore a situation in depth before reaching a decision. They should analyse the information logically. Its objective in analysis is to reach for cause rather than by blame. If SWOT analysis is chosen, write about **S**trength, **W**eaknesses, **O**pportunity and **T**hreat.

---

* *The Case Study Method* - I.D. Hounsell.- *Management Development Branch*, International Labour Office.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

5. **Independent judgement :** A student should exercise independent judgement.It is necessary to identify the issues in the case. Some of them may be apparent and some may be hidden. There is always other side to each grievance. The analytical ability of the student is important.
6. **Importance of differences of opinion :** The differences of opinions are a means by which students learn in case discussion.
7. **Discussion of various strategies :** The students should discuss various strategies which the management should have adopted to eliminate or minimise the problems. Many possibilities can be visualised. Thus, the students have to evaluate the possibilities, alternatives, strategies. Well thought and well conceived conclusion should be given. If conclusion is drawn on any established theory it should be mentioned.
8. **Use of charts, balance sheets, maps, titles, headings etc. :** The quantitative data are often crucial. The charts, balance sheets, forms, maps and advertisements should be used where possible as appendices. An accuracy in figures is also important. Make use of titles, headings, sub-headings etc.
9. **Length of case :** It is difficult to have a rule about the length of a case. A case should be fairly long. In the Indian situation, the length of a case may be anything between 4 to 12. Pages however, much depends upon the nature and substance of the case.
10. **The title of the case :** It is always desirable that the title should be self-explanatory in regard to the facts pertaining to the case. The title would depict the theme of the case. The title should be appropriate without being very lengthy or suggesting and suitable title. In fact, it is suggested that a title that is very broad based suggesting the name of the organisation pertaining to the facts of the case, may be stated.
11. **Objectives of cases in management :** The main objective of cases in management is to sharpen powers of analysis and decision-making in the management. It should be noted that sound decisions are the corner stones of sound management.
12. **Flow of story :** The analysis of a case study should be like a flow of a story. A sequential narration of facts in a any appropriate manner. Major issues should be highlighted. The main emphasis should be on identifying the issues and the possible different alternative courses of action to deal with each of the issues possible solution, suggested answer or recommendations can be made.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

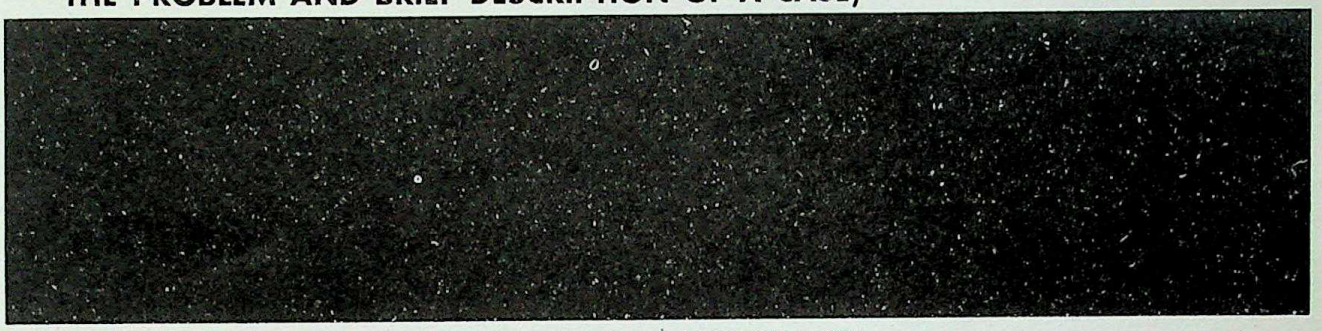
Gandhi Memorial College Of Education Bantalab Jammu

CASE

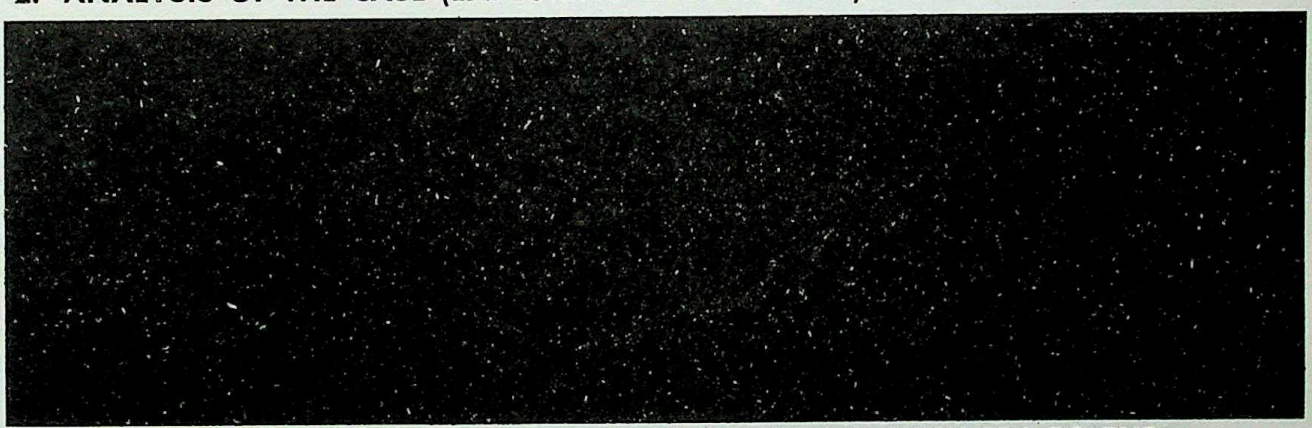
A CASE CAN BE SOLVED IN THE FOLLOWING MANNER

Title : .....

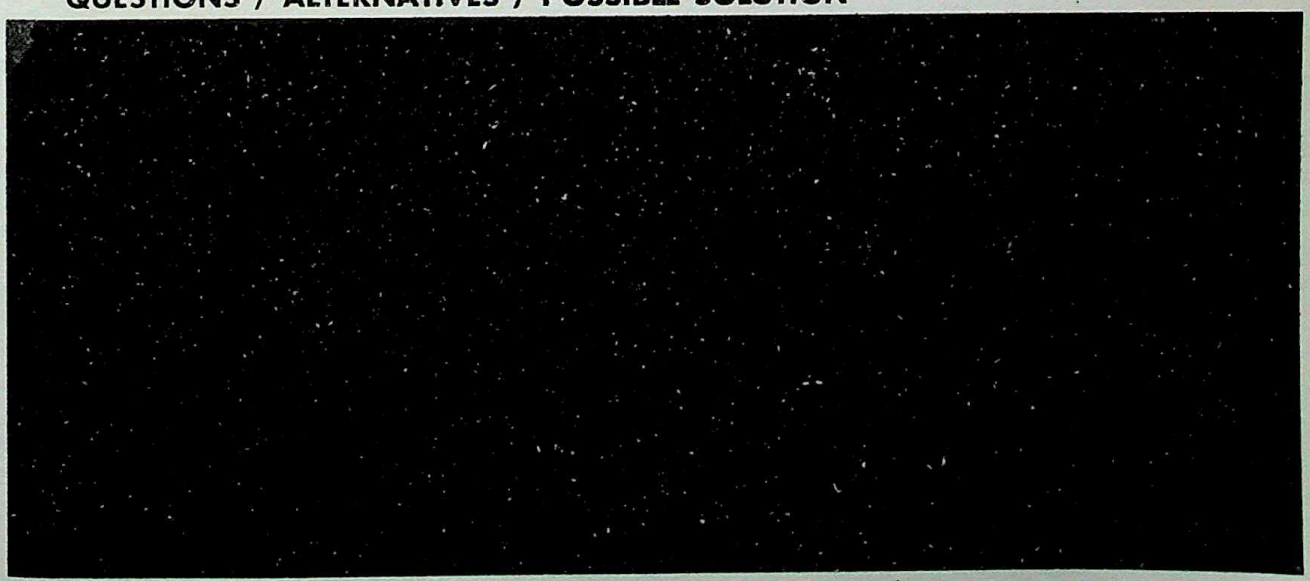
1. BACKGROUND OF THE CASE (DEFINING OR DISCOVERING OR IDENTIFYING THE PROBLEM AND BRIEF DESCRIPTION OF A CASE)



2. ANALYSIS OF THE CASE (EXPLORING THE PROBLEM)



3. RECOMMENDATIONS / CONCLUSIONS / SUGGESTED ANSWERS TO THE QUESTIONS / ALTERNATIVES / POSSIBLE SOLUTION



CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART II

THE CASE STUDY ILLUSTRATIONS

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

THE CASE STUDY ILLUSTRATIONS

INDEX

Case 1	Kaka Foundaries Limited	Decision-Making
Case 2	Cima Refractories Limited	Labour welfare
Case 3	Plan for Expansion	Reluctance to change
Case 4	The Standard Textile Printing Works	
Case 5	The Jai-Bharat Machine Tools Limited	
Case 6	Confusion of Roles	
Case 7	Pioneer Firm	
Case 8	The General Electronics Company	
Case 9	Problems of Proper Co-operation	
Case 10	Management Skills or Decision making	
Case 11	Delegation of Authority	
Case 12	Designing Proper Channel of Distribution	
Case 13	Confused Foundary Manager	
Case 14	The Janata Electronic Company Limited	
Case 15	Mr. Hari Prasad : The Administrative Manager	
Case 16	Old Fashioned Management	
Case 17	Staff Performance and Ambitions	
Case 18	Work Study	
Case 19	Whether or not to enter into collaboration	
Case 20	The Process of Consultation and Decision	
Case 21	Illiterate Workers	
Case 22	Delegation	
Case 23	Plan for Expansion	
Case 24	Effects of Nepotism	

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Case 25 Authority and Responsibility
Case 26 Dealing with a Strike
Case 27 How much should a Company Expand
Case 28 Opportunities and Difficulties
Case 29 Promise and Performance
Case 30 Physical Training
Case 31 Irregular Attendance
Case 32 Hubli Pumps Limited
Case 33 Somani Dresses Private Limited
Case 34 Mayab Limited
Case 35 Shah & Brown Limited
Case 36 Villians of the Screen
Case 37 Beko Engineering
Case 38 Functioning of Chief Executive of a Manufacturing Company
Case 39 Pappu Re-Rolling Mills
Case 40 Popat Engineering Company
Case 41 Shaukat Engineering Company
Case 42 TQM and Innovation
Case 43 Secret Adversary
Case 44 Rip Van Railways
Case 45 Man or Machine
Case 46 A Placement in Hell
Case 47 Cutting without a Qualm
Case 48 How Important is HR ?
Case 49 From Diversity to Unity
Case 50 A Tome Bomb
Case 51 Skin Deep Loyalty
Case 52 Impulsive Sellers
Case 53 Pepping up the menu
Case 54 The Fundamentals of Strategy formulation
Case 55 Managing in a Machine Market

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 1

KAKA FOUNDRIES LIMITED

PART - ONE

In 1958, Kaka Foundries Limited added a new heavy electric steel casting unit to the 30 years old works. Then new unit employed about 200 men, most of whom were drawn from the two older units in operation. All the units operated in three 8 - hours shifts.

The organisation structure of the new unit on the production side is given in Fig. 1.

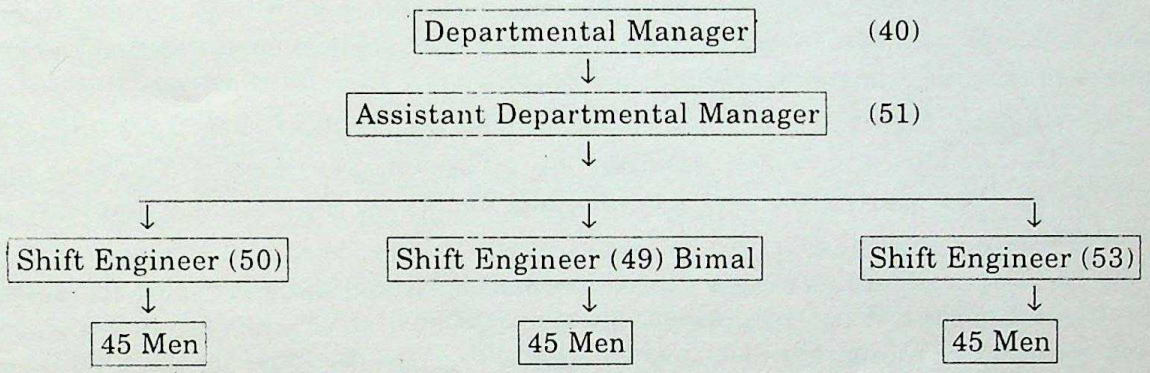


Fig. 1

Bimal, 49, was one of the three shift - engineers of the new unit. He had a diploma in metallurgy from a recognised institute and having joined for company about 25 years earlier as an operator, had gradually risen to the position of shift engineer. Early in 1957; the company had sent him to West Germany for technical training for about nine months. Before he left he had signed the usual contract to serve the company for three years after his return.

It was management's opinion that Bimal possessed the qualities of leadership. He got on well with his men, and obtained results through them. His production record was better than those of the other two shift engineers. Management felt that he had potentialities. As the senior most Shift Engineer of the unit, he used to officiate as Assistant Departmental Manager whenever the occasion arose.

By the time the contract period ended, Bimal felt that he had very little chance of promotion in the near future. The Departmental Manager was still young. At best, he could become the Assistant Departmental Manager when the present incumbent retired at the age of 60. He could not also visualise any organisational charges either which would get him early promotion.

On 30, November 1961, Bimal submitted a letter of resignation. The letter stated that the 31 days in December might be treated as the one calendar month's notice required under standing orders and that he might be relieved of his duties with effect from 1 January 1962. The letter did not give any reason for his resignation.

When the men on the shop floor heard that Bimal had resigned, they sensed that he must have had something up his sleeve. Some of them, also on the lookout for better jobs in other organisations were naturally interested in *management's decision about Bimal*.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Management was unhappy over Bimal's resignation. The Departmental Manager and the Works Manager requested him to reconsider his resignation which he was not willing to do. They suspected that in view of the growing employment opportunities for qualified and experienced foundry men in the country, he had secured a better job elsewhere, but they were not sure which organisation he proposed to join. According to standing orders, employees, seeking jobs elsewhere were required to forward their applications through Management. Bimal had not sent any such application.

PART – TWO

On 26 December 1961, Bimal was working in the evening shift (3.00 to 1.00 p.m.) When the Departmental Manager was about to leave his office at 6.00 p.m. Bimal handed him an application for five day's leave, from 27th December 1961. The application stated that the leave was required to take his ailing daughter to a specialist.

The Departmental Manager was not sure whether he should grant such leave during the notice period. He consulted the Work's Manager, who advised him to refuse it. The same night at about 9.00 p.m. the Departmental Manager informed Bimal over the telephone that leave had not been granted.

Despite the Departmental Manager's oral information, Bimal did not report for duty on 27 and 28 December 1961. A letter calling for his explanation as to why he was absent without permission was sent to him at his residence through a special messenger on the afternoon of 28 December 1961.

On 1st January 1962, Bimal called on the Departmental Manager at his office. He explained that though the letter calling for his explanation had been received at his residence, he could not report for work as he was out of town. He also mentioned this fact in his formal explanations letter handed over to the Departmental Manager at that time.

The same afternoon, the Departmental Manager met the Works Manager with Bimal's case papers to determine the future course of section. By that time, they had come to know that Bimal had secured a job with a higher designation in another foundry on a 40% higher salary. They were also aware that many employees would watch the decisions on Bimal's case with great interest.

POSSIBLE SOLUTION / SUGGESTED ANSWER
KAKA FOUNDRIES LIMITED

This is one of the best cases on the decision-making. The case poses problem regarding personnel management practices. The Management has to take a decision on Bimal. This decision is important as many employees would watch the decision with great interest.

I. BACKGROUND :

The Company under discussion added a new heavy electric steel casting unit. Mr. Bimal was one of the efficient and competent engineers who was foreign returned after technical training for about nine months.

Case Source - Cases in Management - Dr. Francis Menezes Edn. 1977 Tata Mc Graw Hill Publishing Company Ltd. NEW DELHI. Pages 144 to 146.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Mr. Bimal was in good books of the Management. He had all qualities of leadership. As mentioned earlier, about his competence his production record as much better than other engineers. He was the best substitute for Assistant Departmental Manager.

Since, everybody is interested about one's prospect, Bimal was not exception to that. He realised that he had very remote chances of promotion in Kaka Foundries Limited. There was no possibility of any organisational changes.

Naturally, Bimal submitted his resignation by giving one calendar month's notice. His idea was that the company will relieve him after one month. However, he failed to give reasons for his resignation.

Naturally, this became the interesting topic for discussion among his fellow workers. In other words, the shop floor men were interested in Management's decision about Bimal.

The Management's reaction was different on this issue. The Departmental Manager and the Works Manager tried their level best to convince Mr. Bimal to withdraw his resignation. Although they were not sure, they suspected that due to growing employment opportunities for qualified and experienced foundry men in the country, he had secured a better job elsewhere. Really speaking, employees seeking jobs elsewhere are required to forward their applications through management, but Bimal failed to sent any such application through management.

Subsequently, five days before the completion of the one calender month's notice, Bimal handed over his application for five days leave to take his ailing daughter to a specialist to the Departmental Manager. The Departmental Manager was puzzled to sanction such leave. So after consisting the Works Manager he refused to sanction the leave to Mr. Bimal. In spite of refusal of leave, Bimal failed to report on his duties for 2 days during the notice period. Naturally, an explanations was demanded from him by the Management i.e. the concerned authority.

After five days, Bimal gave his explanation of the leave availed of by him.

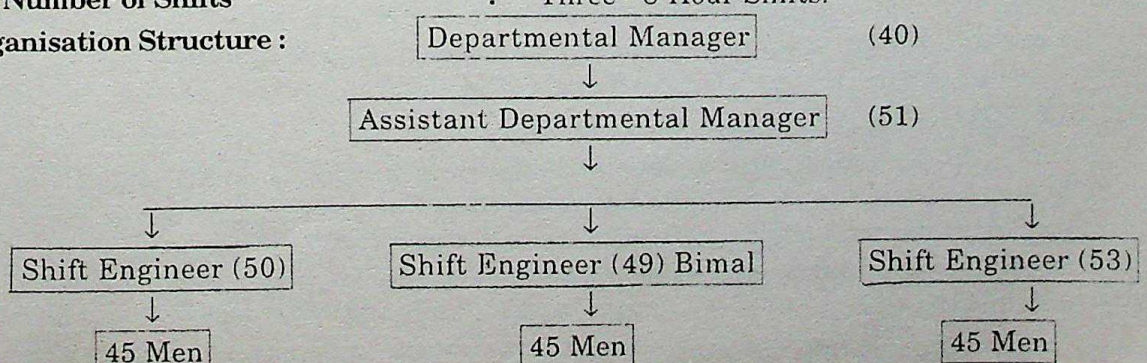
He explained his inability to report on duty as he was out of station. His argument that the above fact was mentioned by him in his previous application.

All this created problem before the Management. Now, the Management has to take a decision. They knew that Bimal had secured a job on a higher post in another foundry with 40% higher salary. If the decision is not taken carefully, this example may set a bad precedent in future.

II. ANALYSIS OF THE CASE

Name of the Company : KAKA FOUNDRIES LIMITED
Year of Establishment : 1928
Additional Unit : 1958. (New Heavy-electric Steel Casting unit).
Number of Workers in a new unit : 200 men (Most of them are from two older units in operation).
Number of Shifts : Three - 8 Hour Shifts.

Organisation Structure :



CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Main Problem	:	The Management has to take a decision on Bimal. He has tendered his resignation and secured a job on a higher post in another foundry with 40% higher salary.
Mr. Bimal 49	:	One of the intelligent and capable Shift Engineers of the unit.
Education	:	Diploma in metallurgy from a recognised institute.
Experience	:	25 Years
Progress	:	From operator gradually risen to the post of shift engineer.
Term of Employment	:	West Germany for technical training (9 months) Signed a Contract for three years.
Management's opinion about Bimal	:	Bimal possessed the qualities of leadership. He was co-operative. His production record was better. Due to his qualities, he used to officiate as Assistant Departmental Manager.

Bimal's Problem : Bimal found that there were no prospects in the company and there are remote chances of promotion as Departmental Manager was still young. He found that he will not get any chance of early promotion. So ambitious but frustrated Bimal tendered his resignation without assigning any reason stating that his notice may be treated as one month's notice. He was expecting some coveted post in the organisation atleast an assurance. He developed a feeling of hostility towards management.

The Management i.e. the Departmental Manager and the Works Manager requested him to reconsider his resignation but did not give any promise or assurance to protect his chances of promotion. They were in favour of Bimal but Bimal was not willing to consider their request.

Management's Problem : Bimal handed over his application for 5 days leave during the notice period. In spite of refusal of leave on telephone by the Departmental Manager, Bimal remained absent on his duty. Hence, explanation through a special messenger was demanded by the management. Bimal stated that he was not on town, hence he was unable to report for work. This situation has resulted in a problem before the management. They have to determine the future course of action and the management's decision is important as it is watched by many workers.

In this case the real problem before the Management is to take the decision on Bimal's case. The management has to take decision very carefully since (1) Bimal as secured a job with a higher post in another factory on a 40% higher salary and (2) Many employees are very much interested in knowing the decision on Bimal's case.

III. POSSIBLE SOLUTION

This is one of the best cases on the 'decision-making'. A decision is an act of choice were in executive/Manager reaches to a conclusion about what must be done or must not be done in a given situation. Decision-making is said to be an intellectual activity because it requires selection from among alternatives. It is intellectual because it calls for the use of both judgement and imagination.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Decision-making encompasses the entire process by which goals are set, tasks defined, options searched for, choices made and plans developed. It includes all of the those investigative, creative, diagnostic and evaluative activities which precedes the decision point.

The following remedial actions to tackle the problem can be suggested :

I. IN THE SHORT RUN

Firstly, the situation should be handled by discussion with the Departmental Manager of their views and suggestions individually or collectively. Utmost care is required to be taken in this case while giving the decision since Mr. Bimal has worked in the organisation for the last 25 years. He has proved his merit and abilities. The organisation should not forget that as the senior most Shift Engineer of the unit, he said to officiate as Assistant Departmental Manager whenever the occasion arose.

Mr. Bimal found that he had very little chance of promotion in the near future. He could not visualise any organisational changes either which would get him early promotion.

Taking a sympathetic consideration by giving due regard to the prompt and honest services rendered by Mr. Bimal, the management should allow him to accept new job. Everyone is interested in his futures. The management should not serve as a stumbling block. in the prospects of the individual. The management may take a broad view and Mr. Bimal must be given 40 to 50% increase in his remuneration. If the management persuades him with this attraction, he may continue to remain in the same organisation. Organisation goals are always more important than the interest of an individual. It is possible that due to this type of decision, there may be adverse effect on many employees, but at the same time it should not be forgotten that the broad-mindedness of the management will definitely be welcomed by the employees. This will certainly maintain 'healthy atmosphere' in the organisation. Bimal's exit in the manner would be an example for the other employees. Everybody should be free. There should not be undue domination over the individual. This situation is an occasion of opportunity of the management to revise its polices. The management should not make this issue as prestige-oriented and complaining one. This issue must be treated as result-oriented.

II. IN THE LONG RUN :

In the long run the following actions may be taken.

1. **Clear Specification :** The appointment letters, transfer orders should clearly specify when and whom to report the responsibility on taking over charge.

2. **Promotion Opportunities :** There must be proper consideration for the services of qualified and experienced person. Their merits should be suitably rewarded by giving them promotions from time to time. An appreciation of employee's services in the part of management raises a sense of belonging on the part of employees.

3. **Proper Communication :** Communication involves a systematic and continuous process of telling, listening and understanding. It must be remembered that good communication is very useful in ironing out differences, misunderstandings and thus increasing confidence. There must be proper communication between management and employees. The departmental heads must convene meetings and must consider the ideas, views, opinions expressed and suggestions made by the employees. At any cost the employees of the organisation should not feel frustrated or discouraged. The plans and policies of the management should not be rigid. They must be flexible. According to changing circumstances, changes must be incorporated in the policies of the management.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4. Involvement of people : The consultation helps in involving the people. The consultation must be done at all levels. The consultation must include the General Manager, Works Manager, Departmental Manager, Assistant General Manager, Shift Engineers, and Representatives of workers. It must be remembered that consultation and communication are very important in ironing out differences, misunderstandings and increasing confidence.

5. Need to motivate the workforce : There is a need to motivate the workforce. When a trained and experienced employee leaves the organisation it means lack of morale and organisational development. Thus, proper provision to boost employee morale must be made. And organisational develoment is essential.

6. Employee appraisal programme : The kaka foundaries limited should undertake employee appraisal programme. The company should undertake personnel inventory and formulate a progressive policy for the promotion of employees.

ILLUSTRATION 2

CIMA REFRACTORIES LIMITED

CIMA Refractories Limited, established in 1935, was a semi-mechanised plant. It produced about 3000 tons of fireclay bricks a month and employed 3750 man. The Chief executive of the company was a foreigner. On staff matters he was assisted by the personnel officer.

In the preparation section of the plant, fireclay was crushed, screened and mixed with weather. One hundred employees, most of them Adivasis, worked in the section. As they had worked for many years, they had reconciled themselves to the dusty and unpleasant working conditions.

When many of the old Adivasi workmen retired in quick succession, literate non-adivasi workmen happened to be appointed in those vacancies. The newcomers found the working environment intolerable and protested to the foreman about it. At their instance, all the men in the section made a joint representation to the plant safety committee, through the foreman. The committee consisted of two representatives one each of the management and the recognised worker's union.

The safety committee after a detailed field enquiry, concluded that it would be extremely expensive to instal a mechanical device to control the dust and recommended that small respirators supplied to all the men working in the section. The committee's recommendation was accepted by management.

The respirators had to be imported from England. This took about ten month's time.

Meanwhile, the men continued to clamour for some safety appliance to protect them from the hazards of working in a dusty atmosphere. Management therefore sanctioned, as an interim measure the supply of pieces of grey cloth to cover their faces at work. Half a metre of cloth was issued as replacement, whenever the cloth becomes unusable. The cloth offered limited protection also and the men took the pieces home for their own use. Soap supplied to them at regular intervals for keeping themselves clean was likewise taken some.

The workmen in the plant were well organised with a recognised union. In addition, the men of the preparation section were a tightly knit group and had recently elected a more powerful leader to represent them on the union executive. Mostly through the efforts of the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

union executive member, supported by the joint action of the group during the previous year they had secured many 'privilege's such as being supplied with safety boots and appointment of additional operatives in the section.

When the respirators arrived, the Foreman was asked to issue them to the men. They refused to take them on the grounds that the grey cloth was more convenient. They stated that respirators were difficult to wear in India especially in the hot weather. Some thought that looked funny working with the respirator on. There was filter; which had to be replaced every ten days, and for that they had to go to the Manager's office. There was nowhere place to keep the respirators in the section so that they had to be taken home.

When the Foreman reported the incident to the Manager he got excited and said : 'No Plant can protect the health of workers if they do not wish to help themselves'. He remarked that the grey cloth was no substitute for respirator, which alone could protect the man from the invisible dust which was extremely harmful. It was because of this that the company had agreed to accept the recommendation of the Plant Safety Committee and spent so much foreign exchange to purchase respirators from abroad. He asked the Foreman to explain the position once again to the men, and persuade them to use the respirators.

In spite of the Foreman's best efforts, the men continued to be adamant in refusing to wear respirators and preferred the grey cloth.

POSSIBLE SOLUTION / SUGGESTED ANSWER
CIMA REFRACTORIES LIMITED

I. BACKGROUND

In this case, typical problem has appeared before the management and the management has to take a decision to solve the problem. This problem is connected with labour welfare viz. safety. The attitude of union and workers towards safety measures needs examination.

The case under discussion is Cima Refractories Limited which was a semi-mechanised plant. In the preparation section of the plant, 100 Adivasi employees were working who had reconciled to the dusty and unpleasant working conditions. After their retirement, the newcomers found the working environment untolerable and protested to the foreman about it.

Later on, Plant Safety Committee concluded that it would be extremely expensive to instal a mechanical device to control the dust and recommended that small respirators be supplied to all men working in the section.

The respirators were not available in India, hence management sanctioned, the supply of pieces of grey cloth to cover their faces at work. But later on it was observed that the men took the pieces and soap at home for their own use. The establishment of the strong union was the main reason to provide them various privileges such as safety shoes etc.

On the arrival of the respirators the workmen dressed to accept them on various grounds. Naturally, when the Manager came to know, he got excited and directed the foreman to persuade workers to use respirators. But the workers were reluctant to co-operate. Now, the problem before the management is to persuade the workers and they have to take decision to adopt various measures.

Case Source : Cases in Management, Dr. Francis Menezes, 1977. (Tata McGraw Hill Publishing Co. Ltd., New Delhi) Pages 211 to 212.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

II. ANALYSIS OF THE CASE

Name of the Company : Cima Refractories Limited.

Year of the Establishment : 1935.

Type of Plant : A semi-mechanised Plant.

Monthly Production : 3000 tons of fire clay bricks a month.

Number of workers : 750 men.

Chief Executive : Manager, a foreigner assisted by the Personnel Manager.

Joint Representative Committee

Plant Safety Committee

↓

↓ ↓ ↓

Two representative workers of Management

Two representatives of recognised union

Recommendation of the Committee : To use respirators (Imported from England)

Interim measure : The supply of grey cloth to cover their faces at work.

Union : A recognised union having powerful Leader, secured many privileges.

Refusal to use respirators by workers Reasons : The following are the reasons due to which the workers refused to use respirators.

(i) **Convenience :** The grey cloth was more convenient.

(ii) **Whether Condition :** Respirators were difficult to wear in India especially in the hot weather.

(iii) **Funny appearance :** They looked funny while working with the respirator on.

(iv) **Difficulty in the replacement of filter :** There was a filter which had to be replaced every ten days, and for that they had to go to the Manager's Office.

(v) **Difficulty in Storage :** There was no place to keep the respirators in the section so that they had to be taken home.

The reaction of the Manager on the non-workers : The Managers reaction on the non-operative attitude of the workers was as under :

1. **Health depends upon workers :** No plant can protect the health of workers if they do not wish to help themselves.
2. **Substitute :** The Grey cloth was no substitute for respirators, which alone could protect the men from the invisible dust which was extremely harmful.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. **Recommendation of the Plant Safety Com-mittee :** The Company had agreed to accept the Recommendations of the Plant Safety Committee and spent so much foreign exchange to purchase respirators from abroad.

4. **Persuation :** The Manager directed the foreman to explain the position once again to the men and persuade them to use the respirators.

Main problem : Once although the foreman tried his level best, the workers continued to be adamant in refusing to wear respirators and preferred the grey cloth.

III. RECOMMENDATIONS

This case is regarding co-operation of employees or discipline among workers. In the beginning the new-comers found the working environment intolerable and protested to the Foreman about it. Later on, Plant Safety Committee concluded that it would be expensive to install a mechanical device to control the dust and recommended that small respirators be supplied to all men working in the section.

Due to non-availability of respirators in India, Management sanctioned, the supply of pieces of grey cloth to cover their faces at work. But later on, it was observed that the men took the pieces of cloth and soap at home for their own use. Due to strong union they had secured many privileges, such as safety shoes etc.

On the arrival of the respirators the workmen refused to take them, for various reasons. Naturally, when the manager came to know, he got excited and instructed the Foreman to persuade workers to use respirators. But the workers were reluctant to co-operate.

In this situation, the Management can take following steps: or following decisions can be taken.

1. Taking staff into confidence : It is true that inspite of the efforts of Foremen the workers refused to co-operate. Foreman cannot be held responsible for the adamant attitude of the workers towards the compulsion of the use of respiration. Communication is an art. To convince properly and direct them towards a particular action is certainly an art. Foremen may not be efficient, tactful like Manager. Hence, it is necessary for the Manager to convene meeting incuding doctor and explain them about respirators, their health; how the Management has accepted the recommendations of Plant Safety Committee which consist of representatives of both the management as well recognised workers union. Foreign exchange spent on purchase of respirators and how the co-operation of the employees is necessary for attaining the goal of the enterprise. In this way, the Management may once again convince the staff.

2. Removal of Difficulties : It is the '*Prima Facie*' duty of the Management to give patient hearings to the workers.

1. The Management must see that in all climatic conditions respirators can be used.
2. The safety committee must examine the complaints of the workers against respirators into details.
3. An attractive appearance must be given to the respirators.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4. The Management must remove the difficulty in the replacement of filter.
5. There must be proper place to store respirators. Firstly, these difficulties or problems must be solved and then only further steps can be taken by the Management.
6. The management can also think of modification of the respirators considering the Indian conditions and also complaints by the workers e.g. use of cloth filter in the place of film.

3. Issue of Circulars : The Management may issue circular in general regarding the use of respirators and its importance, discontinuation of the interim measures i.e. the supply of grey cloth, soap etc.

4. Imparting education regarding safety measures and the use of respirators : The workers must be educated towards safety measures and the use of respirators. The attitude of the workers can be changed only through education and motivation. Few of them may be adamant but not all. Since the workers in this section is limited (100) hence, this is possible

5. Enquiry : The Management may make detailed enquiry about workers who continued to be adamant in returning to wear respirators and preferred the grey cloth.

6. Information to Plant Safety Committee as well as recognised workers union : The Management may intimate the Plant Safety Committee. Since that was the recommendation of Plant Safety Committee and the Committee's recommendation was accepted by Management. Naturally, it was the duty of the workers to accept the decision of the Committee.

Since there was a well organised and a recognised union having powerful leader the management may send intimation to the union so that they may direct the member-workers to act accordingly.

7. Warning Notice : On compassionate grounds, the Management may issue a separate notice of serious warning to the workers who will refuse to use respirators and will demand grey cloth and soap.

8. Order of Dismissal : The act of insubordination and indecent and indisciplined behaviour on the part of workers may set a bad precedent in the organisation. Such type of things/incidences must be stopped with immediate effect. Hence, workers may be suspended with immediate effect, and be subsequently dismissed after necessary domestic inquiry.

ILLUSTRATION 3

PLAN FOR EXPANSION

Mr. Swamy is the Chief Design Officer of the Iron Ore Manufacturing Company. The Company was embarking on a new Plan for expansion of its products in the Fourth Five Year Plan and it was decided to get all the modern type of machine units for this plant. Accordingly, Mr. Swamy prepared a layout for the new Plant. The Management thought that the Industrial Engineering Department as well as the experienced personnel from the construction and operators side should be consulted as this was

(a) a new type of plant with modern machinery
(b) its capacity would be thrice that of the existing unit.
(c) ultimately, the installation and operation would be the latter's responsibility.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

1. A Committee was, therefore, formed and invitations were issued to various members on behalf of the Chief Design Officer.
2. Discussions revealed that the design officer had not fully considered the implications of the new type of machinery and its higher capacities but has used the old rule of thumb methods which made the layout cumbersome. It was also felt that unless certain changes were made, the present layout would create bottle-necks which would come in the way of achieving the rated capacity of the new plant. The Committee discussed each item and suggested certain modifications which drastically changed the layout first prepared.
3. Though the Design Officer had invited others to give suggestions, he did not like the committee's decision in almost rejecting his layout. He thought that he was doing this job for years and felt that his prestige was at stake if he accepted the changes which had been suggested by the committee.
4. At a later stage in the discussions, he refused to take any part and as hesitant to give any information which was called for by the committee members to check on the capacities of the various machinery units as they wanted to know the assumptions he had made and to test their validity and reliability. He tried to sub due their attempts of changes in his layout by saying that these changes would make the cost of the product go up. On enquiry by the committee members he could not give the extent of the rise in cost on account of these modifications.
5. This attitude of the Chief Design Officer created a state of disharmony even though the committee was started with good intentions of pooling together the experience and knowledge of the various types of people. This resulted in delays in finalising the project layout.

Some Issues :

1. How common is this phenomenon in India and elsewhere ?
2. If this did not relate too Design Function but to some other staff functions (e.g. Work Study, Personnel, Quality Control etc.) would similar arise ?
3. Why was committee formed after Mr. Swamy prepared the layout and not before ? (Refer also to item A below)
4. Was the attitude of the committee constructive ? What could be the basic causes of its attitude to the layout ?
5. What contribution has each member of the committee (Mr. Swamy and others) made towards making the better layout effective for the organisation ?
6. What was the objective of Mr. Swamy and the committee members ?
   (a) better layout
   (b) to appear more efficient or loyal.
7. During all this time, what is the Top Management doing ? Why is their voice not felt during these developments ? Could it be due to (a) Regard for Democracy (b) Lack of Goal Mindedness, (c) Indifference, (d) Incompetence, (e) Any other Factors ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
PLAN FOR EXPANSION

I. BACKGROUND :

This case is regarding decision to be taken on plan for expansion of the Iron Ore Manufacturing Company. Mr. Swamy is acting as a Chief Design Officer of the Company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

While preparing a new Plan for expansion of company's products the management felt that all the modern type of machine units should be brought for the new plant. Naturally, the management decided to consult the Industrial Engineering Department as well as experienced personnel from the construction and operations side (i) New type of plant, (ii) Tremendous capacity, (iii) Responsibility were the important factors. Hence, the committee was formed. Later on, it was realised that the design officer had not fully considered the implications of the new type of machinery and higher capacities, and due to use of old methods the layout became cumbersome. The committee also felt that unless certain changes were made, the present layout would create difficulties which may become an obstacle in achieving the rated capacity of the new plant. Each and every item was discussed by the committee and finally certain modifications were suggested by the committee. Thus, this drastic change was made by the committee in the layout of the plant. Though the suggestions were invited by the Design Officer, he did not like the connmittee's decision. He felt insulted and he made it a prestige issue. So due to frustration, he followed an indifferent attitude and he became un-cooperative. He tried to sub due their attempts of changes in the layout prepared by him. His argument was that these changes would increase the cost of products, but he was unable to present the extent of rise in cost due to these modifications. Naturally, in spite of formation of a committee the Chief Design Officer's attitude resulted in creating a state of disharmony. Due to all these reasons there was delay in the finalisation of the layout for the project.

ANALYSIS OF THE CASE

Name of the Company	:	Iron Ore Manufacturing Company.
Subject of the Case	:	Decision Plan for expansion.
Persons concerned with the case	:	Management, Chief Design Officer (Mr. Swamy), Industrial Engineering Department, Personnel from the Construction and operations of the representatives appointed by the Management.
Reasons for the consultation	:	1. New type of Plant 2. Tremendous capacity of the new Plant. 3. Responsibility.

In this case, Mr. Swamy who is the Chief Design Officer prepared the layout for the new plant because the company was embarking on a new plan for expansion of its products in the further Five Year Plan and it as decided to get all the modern type of machine units for this plant. In the beginning the plan for layout was prepared by Chief Design Officer Mr. Swamy. Later on, the Management thought that the Industrial Engineering Department as well as the experienced personnel from the construction and operating side should be consulted. The management appointed a committee due to following reasons:

1. **New type of Plant**	:	As this was a new type of plant with modern machinery.
2. **Tremendous capacity**	:	The capacity of the new plant would be thrice that of the existing unit.
3. **Responsibility**	:	Ultimately, the installation and operation would be the latter's responsibility.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Committee arrived at a conclusion that the design officer had not fully considered the implications of the new type of machinery and its tremendous capacities, but has used the orthodox rule-of-the thumb methods which made the layout cumbersome. It was also realised by the committee that unless certain change, modifications, alterations were made, the present layout would create difficulties which may become an obstacle in achieving the rated capacity of the new plant. Each and every item was discussed by the committee, and certain modifications were suggested. The design officer was not happy with the decision of the committee to reject his layout. He felt that it is harmful for his prestige if these suggestions are accepted. This resulted in frustrations and he followed an indifferent and hostile attitude and became non-co-operative. Mr. Swamy tried his level best to raise the objections towards changes by saying that cost would increase, but he failed to state the extent of rise in cost due to these modifications. In spite of formation of a committee, the attitude of Chief design officer resulted in creating a state of disharmony.

All reasons resulted in delaying the finalisation of the layout for the project. Now, the management is interested in a solution to this problem.

THE IRON ORE MANUFACTURING COMPANY AND IT'S PLAN FOR EXPANSION

1. Answer : The problem presented in the case is a common in India. In highly developed countries, mechanisation is very common. They think that the cost of installation is initially high but it is economical in the long run as volume of transaction is high. It is the experience in poor country that experienced persons are reluctant to change. Whereas in the case of advanced countries they welcome changes.

They are not very much worried about retrenchment. They believe that if proper training is given to the present employees, they can also become experts. If this does not relate to Design function but to some other staff functions (e.g. Work Study, Personnel, Quality control etc.) the possibility of similar situations cannot be avoided. However, it entirely depends upon the type of company, the authorities given to the superior, the management and above all the psychology of the superior.

In the beginning Mr. Swamy prepared the layout for the new plant because the company was embarking on a new plan for expansion of its products in the Forth Five Year Plan and it was decided to get all the modern type of machine units for this plant. The Management appointed a committee after Mr. Swamy prepared the layout for the plan and not before, because in the beginning, management did not realise the complications.

2 & 3 Answer : Later on, the Management thought that the Industrial Engineering Department as well as the experienced personnel from the construction and operations side should be consulted.

1. **New type of Plant**	:	As this was a new type of plant with modern machinery.
2. **Tremendous capacity**	:	The capacity of a new plant would be thrice that of the existing unit.
3. **Responsibility**	:	Ultimately, the installation and operation would be the latter's responsibility.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Hence, the committee was formed. Before entrusting this work to Mr. Swamy, these problems were not in existence. The attitude of the committee can be regarded as constructive. The main intention behind forming committee was to prepare a good layout for the new plant for which the capacity, modern machinery, its operation and installation, these factors are required to be taken into consideration. The committee has certainly made a significant contribution in making the better layout which is effective for the organisation. The committee was consisted of the Industrial Engineering Department and the experienced personnel from the construction and operations side.

4. Answer : The committee arrived at a conclusion that the design officer had not fully considered the implications of the new type of machining and its higher capacities, but has used the orthodox rule-of the-thumb methods which made the layout cumbersome. The committee also felt that unless certain changes were made, the present layout would create difficulties which may become an obstacle in achieving the rated capacity of the new plant. Detailed discussion was held by the committee and finally certain modifications were suggested by the Committee. Thus, the drastic change was made by the Committee in the layout of the plant.

From the description of the case, it appears that Mr. Swamy and the committee members were having different objectives. The committee was appointed by the management. The committee was started with good intentions of pooling together the experience and knowledge, of the various types of the people.

5. Answer : Mr. Swamy was the Chief Design Officer of that Company. He prepared a layout for the new plant. Later on, a committee was appointed by the management which suggested certain modifications in the layout of the plant. Mr. Swamy did not like the decision of the committee. He refused to accept any part of the discussions and was hesitant to provide any information desired by the committee members to test the validity and reliability of the assumptions made by the Design Officer Mr. Swamy. Thus, he refused to accept changes. All this shows that the objective of Mr. Swamy was not better layout, but he was just trying to appear more efficient. Thus, his contribution was negative and almost ineffective. It must be remembered that for adopting modern technology, we must change our old habits and attitudes. The changes should be welcomed. Prejudice about anything is bad.

During all this time, the management was not having any plans for the expansion of the company and the management was using orthodox methods. It was not having any goal of achieving the rated capacity of the new plant.

6. Answer : The objective of Mr. Swamy and the committee at the beginning was better layout. But subsequently, the objective shifted to ego-mentality and a prestige issue. Both Mr. Swamy as well as committee members tried to appear more efficient or loyal.

7. Answer : During all this time, the Top Management's voice was not felt during these developments. This might be due to lack of goal-mindedness and indifference.

The management was entirely dependent on the Chief Design Officer. The management has later referred only when the company was embarking on a new plan for expansion of its products in the Fourth Five Year Plan and when it was decided to get all the modern type of machine units for this plant. Hence, their voice was not felt during these developments.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 4

THE STANDARD TEXTILE PRINTING WORKS

The Standard Textile Printing Works conducts business in high quality printing of superior textiles. It has a good reputation in the market. The Company employs about 500 workers and works three shifts a day. There is no union in the plant. The Chief Executive of the works is the General Manager who is assisted by three Shift Managers, Supervisors and Assistant Supervisors.

For the past few months, the General Manager had been receiving frequent complaints from the Shift Managers that pieces of customer's cloth were missing from the plant and that could not account for the losses. The General Manager took a serious various view of the losses because, it meant not only payment of damages to the customers but also the Company's reputation in the market. He, therefore, ordered a close search of workers at the time of their leaving the work place for home. As result of these searches, a couple of workers were caught with small pieces of cloth hidden inside dresses. They were charge-sheeted for theft and subsequently dismissed after the domestic inquiry.

Some days back, during lunch interval, Vinayak, a worker in the folding department, saw an Assistant Supervisor taking a piece of cloth and putting it in his briefcase. Vinayak immediately reported the matter to the Shift Manager, who came to the department and found the piece of cloth in the briefcase of the Assistant Supervisor. Without any discussion, he asked the Assistant Supervisor to see him in his office. A week passed the concerned Assistant Supervisor continued to attend to his work.

During this period, the Assistant Supervisor threatened Vinayak that the latter's days here are numbered. This upset Vinayak. He approached the Shift Manager and enquired of him as to what action was taken against the Assistant Supervisor. The Shift Manager curtly replied, "I am thankful to you by whatever you did; but it is none of your business to know what action we are taking against him. Remember that, after all, he is your officer". Vinayak felt irritated, but left the Shift Manager's office without a word.

On the same day when a watchman was about to search Vinayak while he was leaving the plant, Vinayak shouted at the watchman saying, "I will not allow myself to be searched unless the officers are also searched. They are the real thieves." The watchman detained Vinayak at the gate and reported the matter to the General Manager, who called Vinayak to his office. On being questioned by the General Manager, Vinayak told him all about the piece of cloth in the Assistant Supervisor's briefcase and the subsequent events and repeated what he had said to the watchman. The General Manager, there upon, asked him angrily, "Do you mean to say that we are thieves ?" Vinayak replied "You can take it that way, if you like." The General Manager recorded the incidence along with Vinayak's reply to his question and took Vinayak's signature on it.

Next day before Vinayak was served with a suspension order for his "Act of in subordination and indecent behaviour." Thereafter the General Manager referred the case to the Personnel Manager.

1. As a Personnel Manager, how will you deal with this case ?
2. Give reasons for the advice that you will offer in the matter.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION / SUGGESTED ANSWER
THE STANDARD TEXTILE PRINTING WORKS

I. BACKGROUND

A reputed company known as Standard Textile Printing Works employs 500 workers and three Shifts a day. The Company is managed by the General Manager and his assistants.

The General Manager, ordered a close search of workers at the time of leaving the company for home, as he received frequent complaints from the Shift Manager regarding missing of customer's cloth pieces. Consequently, a couple of workers were caught who were subsequently dismissed after enquiry.

A surprising incidence took place in the factory. A worker named Vinayak noticed that an Assistant Supervisor was taking a piece of cloth and was putting it in his briefcase. He reported the matter to the Shift Manager who then asked the concerned supervisor to see him in his office. Later on, the same supervisor threatened Vinayak hence he became restless and he enquired with shift manager regarding the action taken against the Assistant Supervisor. But he told Vinayak it is their question to take action as deemed fit but he must respect his officer.

On the same day, Vinayak refused to be searched and demanded that officers should also be searched. The watchman detained him at the gate. Then the matter was reported to the General Manager. There upon Vinayak told him all about the piece of cloth. General Manager angrily asked Vinayak whether he considers them as thieves to which Vinayak replied that he can take it that way.

The General Manager recorded the incidence and took Vinayak's signature on it. On the next day Vinayak was served with a suspension order and the case was referred to the Personnel Manager by the General Manager.

II. ANALYSIS

Name of the Company : The Standard Textile Printing Works.
Nature of Business : It conducts business in high quality printing of superior textiles.
Goodwill : A good reputation in the market
Number of workers : 500 (Five hundred).
Shifts of work : Three shifts a day.
Union : No union in the plant.
Organisation : See chart.

Activities and Incidence.

The General Manager received frequent complaints from the Shift Manager regarding the missing of pieces of customer's cloth for which they were unable to account for the losses. Such an incidence is definitely harmful to the goodwill of the Company and the Company is bound (or constrained) to pay damages to the customer. Hence, a serious view of the losses has been taken by the General Manager.

Naturally, a close search of workers at the time of their leaving the Company and the Company for home was ordered by him. Consequently, a couple of workers were caught with small pieces of cloth hidden inside their dresses. The Company was forced to issue charge-sheets to them and subsequently after the domestic enquiry they were dismissed.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

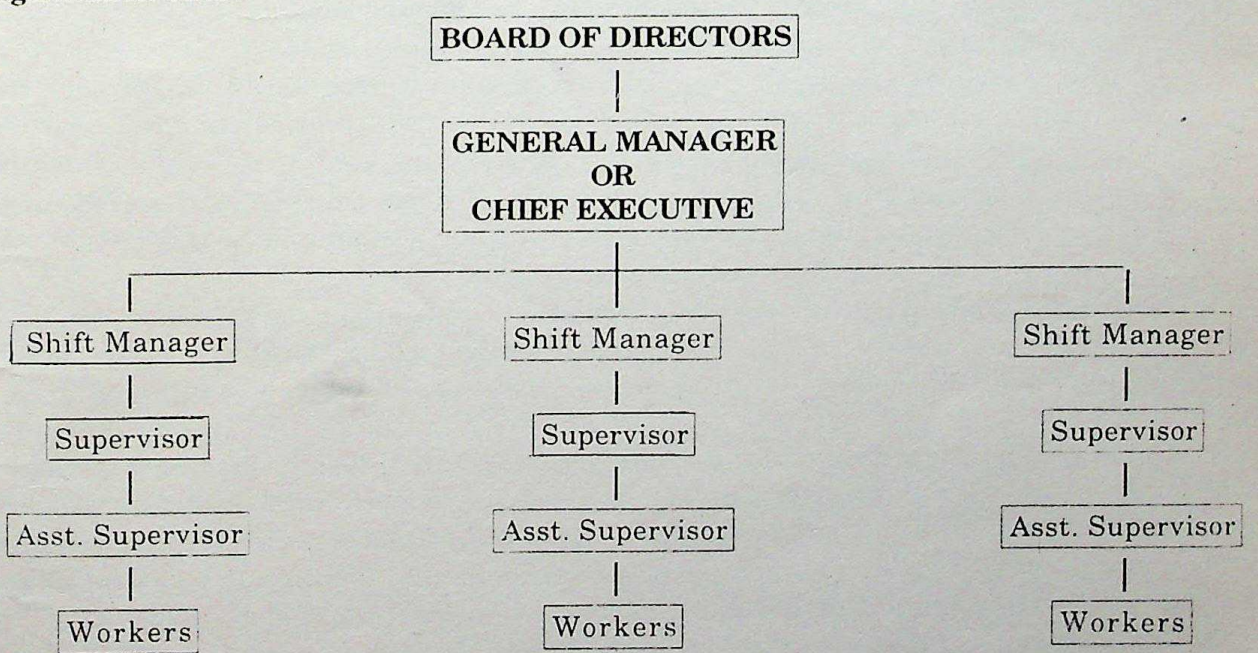
After this, there was an incidence that during lunch interval a worker named Vinayak noticed one incidence of theft on the part of his immediate supervisor i.e. Assistant Supervisor. He immediately reported the matter to the Shift Manager who later on found the piece of cloth in the briefcase of the Assistant Supervisor. Naturally, he asked the concerned supervisor to see him in the office.

During this period Vinayak was threatened by the Assistant Supervisor regarding Vinayak's continuance in service. Hence, he approached the shift manager and asked him about the action taken against the Assistant Supervisor. But the shift manager told him not to enquire about the action taken and advised him to respect his superiors.

On the same day, Vinayak refused to allow to be searched and demanded that officers should also be searched. The watchman however detained him at the gate and the matter was reported to the General Manager. Vinayak told him all about the piece of cloth. The General Manager asked him angrily whether Vinayak considers them as thieves to which Vinayak replied that he can take it that way. The General Manager recorded the incidence and took Vinayak's signature on it.

On the next day, Vinayak was served with a suspension order and the case was referred to the Personnel Manager by the General Manager. The Personnel Manager will have to deal with this case.

Organisation Chart



III. RECOMMENDATIONS AND CONCLUSIONS

As a Personnel Manager, one can deal with this case in the following manner:

1. **Enquiry :** The Standard Textile Printing Works being a reputed concern firstly, the Personnel Manager should make detailed enquiry about the incidence noticed by Vinayak of the Assistant Supervisor. He must find out whether this was a real theft case or whether the supervisor was just taking the pieces of cloth as samples.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Report of the Shift Manager : The Personnel Manager may check the report of the Shift Manager. Because immediately after the incidence, Vinayak reported the matter to the Shift Manager who came to the department and found the piece of the cloth in the briefcase of the Assistant Supervisor.

3. Clear-cut instructions to the Shift Manager and Shift Supervisors : The Personnel Manager may convene the meeting of the Shift Managers as well as Shift Supervisors and may issue clear-cut instructions regarding missing cloth pieces and explain the seriousness of the problem. He may point out that superiors have to be very careful with regard to their behaviour and actions.

4. Personnel record of Shift Supervisor : The Personnel Manager may check the personal record of the Shift Supervisor in whose briefcase the piece of cloth was found. He will have to see his work ability, honesty his relations with the colleagues, etc.

5. Personal record of Vinayak : Vinayak is a worker in the company. The Personnel Manager will have to check his personal record. He will have to be very careful as a couple of workers were caught with small pieces of cloth hidden inside their dresses. There is every possibility that they may go against the Assistant Supervisor and may bring him into trouble. It has been noticed from the discussion between General Manager and Vinayak that Shri. Vinayak is rather arrogant and he is not giving proper respect to this superiors. His behaviour is and improper objectionable.

From the above records, the Personnel Manager may take following actions :

1. Order of dismissal of Vinayak : The act of insubordination and indecent behaviour on the part of worker may set a bad precedent in the organisation. Such type of things must be stopped with immediate effect. Hence. he may be suspended with immediate effect, and be subsequently dismissed after conducting necessary domestic inquiry.

2. Issue of Warning Notice : During the course of domestic enquiry the Personnel Manager may issue a serious warning notice to the concerned worker, and he may be allowed to continue to attend to his work on the compassionate ground.

3. Notice to Assistant Supervisor and Dismissal : On enquiry, if the Personnel Manager finds that the Assistant Supervisor was really involved in the theft case he may also be charge-sheeted for theft and subsequently, a drastic action such as dismissal may be taken after the domestic enquiry.

4. Clean Report regarding Assistant Supervisor : On enquiry if the Personnel Manager finds that the Assistant Supervisor was not involved in the theft case, it was misled by Vinayak, then he will have to record the same incidence and will have to give clean report.

He may also issue guidelines to the Assistant Supervisors that they should take care while doing any act in the presence of their subordinates.

5. Maintenance of Record : Finally, the Personnel Manager may maintain a record of the action taken by him.

The reasons for the advice in the matter may be stated as follows :

1. Avoiding possibility of setting up of a bad example : An order of dismissal of Vinayak may be issued. It is because the act of insubordinations and indecent behaviour on the part of worker may set a bad precedent in the organisation which is harmful for the maintenance of discipline and harmony amongst the workers.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. **Compassionate grounds :** The Personnel Manager may issue a notice of warning to the concerned worker because he may consider his case on the compassionate grounds and on his previous good record.

3. **Real involvement in theft hence notice to Assistant :** The Personnel Manager will have to issue charge-sheet to the Assistant Supervisor if he finds that the Assistant Supervisor was really involved in theft. Subsequently, he may be dismissed.

4. **Clean report : no involvement in theft :** If the Assistant Supervisor is not found guilty then, Personnel Manager will have to present clean report and he will have to communicate it to the Board.

5. **Maintenance of formal record :** As a part of the office administration and management the Personnel Manager will have to maintain the formal record of the decisions taken by him.

ILLUSTRATION 5

THE JAI-BHARAT MACHINE TOOLS LIMITED

The Jai - Bharat Machine Tools Ltd. is established in 1971. To start with, 500 workers. 35 technicians and 15 technical officers were working in the Company. At present, total strength has gone to total of 3000 workers, 150 technicians and 30 officers. Though there exist two trade unions, viz. Majdoor Sabha and Socialist Workers' Union, the relations of the Company with both the Unions are generally cordial and the Company has had a long spell of industrial peace.

In the Jai-Bharat Machine Tools Ltd. Mr. Hari Devram Chaudhari has been working for the last 5 years. He is found to be very skillful, sincere and honest. He is intelligent and helpful too. Last year, he suggested an improvement in the working of a machine and earned a reward for it. Because of his helpful attitude he is liked by all the other workers and he is a popular figure in the company. He is a member of the Majdoor Sabha. Though he is not an active member, he follows the directives of the Sabha.

Mr. Kisan Gundappa Devare has been working in Jai-Bharat Machine Tools Ltd. for the last 9 years. He is found to be of average skill and intelligence. He is regular in his duties and honest too. Though he is not popular in the company he maintains sound relations with this colleagues and apparently has no enemies. Of course, he is an active member of the Socialist Workers' Union and participates in all activities of the Union.

Mr. Mahadeo Jagan Pawar has been working in Jai-Bharat Machine Tools Ltd. for the last 7 years. He is found to be above average in skill and intelligence. Though he as polite manners, he is not dependable and is also irregular in his work. e is also a member of the Socialist Workers' Union and participates in all activities of the Union.

On the basis of superior job performance reports in favour of Mr. Hari Devram Chaudhari is given by all the superiors and a note prepared by the Assistant Personnel Officer, a decision to promote Mr. Hari Devram Chaudhari, superseding Mr. Kisan Gundappa Devare and Mr. Mahadeo Sagan Pawar was taken by the management and the necessary communication was sent.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Secretary of the Socialist Workers' Union has taken the issue to the General Manager and asked for the withdrawal of the promotion order issued to Mr. Hari Devram Chaudhari.

1. In your capacity as the Personnel Manager, place your arguments before the Board and justify the promotion order issued to Mr. Hari Devram Chaudhari.

2. As the Secretary of the Socialist Workers' Union, submit your arguments and explain how the promotion order issued to Mr. Hari Devram Chaudhari is unjust ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
THE JAI-BHARAT MACHINE TOOLS LTD.

I. BACKGROUND

Jai-Bharat Machine Tools Ltd. is a progressive Company wherein there are two trade unions viz. Majdoor Sabha and Socialist Workers' Union.

In this Company, Mr. Hari Devram Chaudhari has been working for the last 5 years. He is very skillful, sincere, honest, helpful and intelligent. An improvement in the working of the machine was suggested by him. He was a popular figure in the Company. Being a member of the Majdoor Sabha he follows the directives of the Sabha.

Another worker Mr. Kisan Gundappa Devare is also working in the above Company for the last 9 years who also is average in skill and intelligence and regular in duties. He is not popular like Mr. Chaudhari but has sound relations with his colleagues. Being an active member of the Socialist Workers' union he takes part in all activities of the union.

Just like Mr. Devare, Mr. Mahadeo Pawar is also working in the above Company for the last 7 years who is above average in skill and intelligence. As he is irregular in his work he is not quite dependable. Being a member of the Socialist Workers' union he participates in all activities of the union.

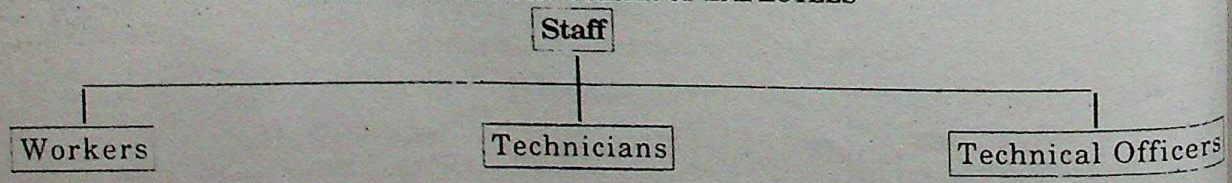
Due to satisfactory performance reports of H.D. Chaudhari and recommendations of his superiors and Asst. Personnel officer the management has taken the decision to promote him and the necessary action has been taken by the management.

Mr. K.G. Devare and Mr M. J. Pawar did not like this idea and they approached the union. The Secretary of the Socialist Workers' union forwarded the matter to the General Manager asking him to withdraw the promotion order of Mr. H.D. Chaudhari.

II. ANALYSIS

Name of the Company : Jai-Bharat Machine Tools Ltd.
Year of Establishment : 1971.
Organisation :

STAFF MEMBERS OR NUMBER OF EMPLOYEES

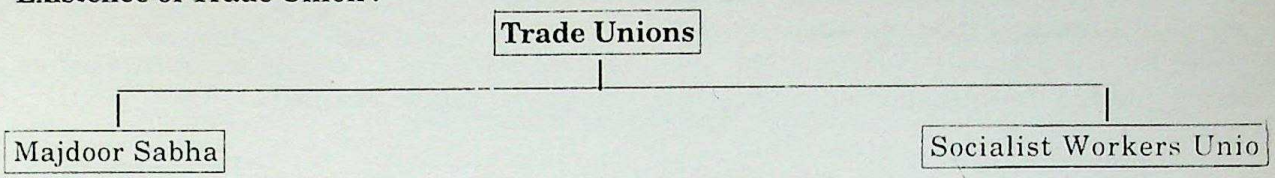


	Workers	Technicians	Technical Officers
Position in the year			
1971	500	35	15
At Present	3,000	150	30

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Existence of Trade Union :



Relations of the Company with both the Unions : Cordial

Due to superior job performance of Shri. Hari Devram Chaudhari, his case was recommended by all the superiors and Assistant Personnel Officer and the management promoted Mr. Chaudhari and the necessary communication was sent by the company.

Mr. K.C. Devare and Mr. M.J. Pawar were naturally dissatisfied with this decision and hence, they approached the Socialist Workers' union. The Secretary of the Socialist Workers Union forwarded the issue to the General Manager and the Union asked for the withdrawal of the promotion order of Shri. H.D. Chaudhari.

JAI-BHARAT MACHINE TOOLS LTD.

Basis of Comparison	Mr. Hari Devram Chaudhari	Mr. Kisan Gundappa Devare	Mr. Mahadeo Jagan Pawar
Working Experience	Last 5 years	Last 9 years	Last 7 years
Qualities	Very skillful, sincere and honest, intelligent and helpful	Average skill and intelligence honest.	Above average in skill and intelligence.
Regularity	Regular in his duties.	Regular in his duties.	Irregular in his work. Not quire dependable.
Popularity	Due to helpful attitude, is liked by all other workers and is a popular figure in the company.	Though he is not popular in the company, he maintains sound relations with his colleagues and has no enemies.	Not popular.
Membership of Trade union	Member of the Majdoor Sabha	An active member of the Socialist Workers union.	A member of Socialist Workers union.
Participation in Activities	Not an active member but follows the directives of the Sabha.	Participates in all activities of the union.	Participates in all activities of the union.
Job Performance	Superior performance	Average	Average

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

III. RECOMMENDATIONS AND CONCLUSIONS

(A) Justification of the Promotion Order

In the capacity of a Personnel Manager, one can place the following arguments before the Board and the Promotion order of Shri. H.D. Chaudhari can be justified.

From :
Personnel Manager
Jai-Bharat Machine Tools Ltd.
Date : .....

To

The Board of Directors,
Jai-Bharat Machine Tools Ltd;

Sub : Justification of the promotion order of Shri. H.D. Chaudhari

Sir,

In the capacity of a Personnel Manager, I would like to place the following arguments for justification of the promotion order issued to Mr. H.D. Chaudhari.

1. It is true that as comparing to Mr. Chaudhari, Mr. Devare and Mr. Pawar have got more experience.
2. Mr. Chaudhari is found to be very skillful, sincere and honest. He is intelligent and helpful too whereas. Mr. Devare is found to be of average skill and intelligence and in the case of Mr. Pawar, though he is found to be above average in skill and intelligence he is not dependable and is also irregular.
3. The workers participation in management is desirable in any industry. Mr. H.D. Chaudhari had suggested an improvement in the working of a machine and reward was given to him for the same. This shows his genuine interest and liking for the work.
4. Mr. Chaudhari is very popular in the organisation. Due to his helpful attitude he is liked by all of the workers whereas in the case of Shri. Pawar he is irregular in his work hence he is not quite dependable.
5. It is true that Mr. H.D. Chaudhari is a member of the Majdoor Sabha he only follows its directives. But in the case of Shri. Devare and Shri. Pawar, both of them are the members of the Socialist Workers' union and they are participating in all activities of the union.
6. In the case of Government departments promotion is given on seniority basis whereas in the private section such criterion is not followed and promotion depends upon performance, ability, skill and intelligence and hence Mr. Chaudhari has been promoted.
7. As far as promotion is concerned, it always depends upon job performance reports. As comparing to Mr. Devare and Mr. Pawar, the job performance reports of Shri. H.D. Chaudhari, are superior and it is given by all the superiors. Thus, along with a note prepared by the Assistant Personnel Manager decision of promotion of Shri. H.D. Chaudhari is not by one person but it is purely based on the performance of his work. Due to all the facts, stated above I still strongly recommend the promotion order of Mr. H.D. Chaudhari.

Thanking you,

Yours faithfully,
XXX
Personnel Manager,
JAI-BHARAT MACHINE TOOLS LTD.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(B) As a Secretary of the Socialist Workers' Union, arguments can be presented as under and it can be explained that the promotion order issued to Mr. H.D. Chaudhari is unjust.

Ans.:

SOCIALIST WORKERS' UNION

Office of the Secretary
Date .....

To

The General Manager,
Jai-Bharat Machine Tools Ltd.

Sub : Request by withdrawal of the Promotion order issued to Mr. H. D. Chaudhari

Sir,

It is learnt that you have taken a decision to promote Mr. H.D. Chaudhari, superseding Mr. K.G. Devare and Mr. M. J. Pawar of your company. I the undersigned in the capacity of a Secretary of Socialist Workers' Union would like to present the arguments and want to bring to your kind notice about promotion order.

Our arguments in this respect are as under :

1. Experience and Seniority : It is highly surprising that how management has taken a decision to promote Mr. H.D. Chaudhari as he has got only 5 years experience whereas Mr. K.G. Devare and Mr. M.J. Pawar have got 9 years and 7 years experience respectively. It is a traditional common accepted principle that the best criteria for promotion is seniority. We strongly feel that a less experienced person should not be promoted. This will settle bad precedent in the Jai-Bharat Machine Tools Ltd.

2. Qualities : Mr. K. G. Devare is of average skill and intelligence. He is regular in his duties and honest too. He has maintained sound relations with his colleagues. Mr. M.J. Pawar is above average in skill and intelligence. He is well-known for his polite manners.

3. Activities : Mr. Chaudhari who is a member of the Majdoor Sabha is not an active-member whereas Mr. Devare and Mr. Pawar who are the members of the Socialist Workers' union are active members of the union. They have never gone against the organisation.

4. Nepotism and bad precedent : I would like to bring to your kind notice Sir, that promotion of Mr. Chaudhari, is not only an example of influence but will settle bad precedent which is very harmful for industrial peace or harmony. The poor workers will loose their faith in the management. The hard work will not get adequate reward and this dissatisfaction amongst workers will ruin the organisation.

I, would therefore, request you (in the best interest of Jai-Bharat Machine Tools Ltd.) that the promotion order issued to Mr. Hari Devaram Chaudhari should be withdrawn with immediate effect.

Thanking you,

Yours faithfully,
XXX
Secretary,
SOCIALIST WORKERS' UNION

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 6

CONFUSION OF ROLES

This company was a proprietary concern started sometimes in the year 1967. Later on, it was converted into a partnership firm and finally in the beginning of the year 1975, the concern was established as a private limited company.

The company's growth was piecemeal rather than on a planned basis. As the company went growing, several departments were added and personnel in the various departments and administrative offices are appointed as the end arose from time to time. The Directors of the Company thought that certain new functions like Industrial Engineering, costing, etc. need to be look after by separate departments headed by specialists. Accordingly, a cost Accountant was appointed and a separate department was created. Similarly, after some time an Industrial Engineer was appointed specially to look after industrial engineering activities in the company.

The Industrial Engineer Mr. Mathur, was selected after considerable screening of several candidates for the post, on a fairly high salary as the Directors had thought of giving him the status equivalent to that of Production Engineer of the company. Mr. Mathur joined the company on 1st August 1976.

On the first day of October, 1976 Mr. Mathur reported for duty about half an hour earlier than the scheduled time. He did not know whom to contact and the Receptionist also had not come by then. Mr. Mathur preferred to stand near the entrance of the office. At about 8 30 a.m. the Technical Director Mr. Rao, came to the factory and saw Mr. Mathur waiting. He took Mr. Mathur with him to his office and called for the Chief Engineer Mr. Deshpande. Mr. Deshpande had not come by then. So Mr. Rao called for Deputy Chief Engineer. He also had not come either, Mr. Rao therefore called for Dy. Production Engineer Mr. Kumar and instructed him to conduct Mr. Mathur round the factory. Mr. Kumar was not introduced to Mr. Mathur. He, however, found the company of Mr. Mathur very cordial and congenial and this was a welcome relief to Mr. Mathur who was rather upset with the happenings in the just hours of his joining.

Mr. Kumar and Mr. Mathur spent about two hours in going and being introduced to various officials and supervisory Personnel in various departments. Mr. Kumar, however did not introduce Mr. Mathur as Industrial Engineer. Mr. Mathur was told that until Industrial Engineering became a fulltime activity, he should also look after an additional portfolio of planning. In fact, the routine of planning occupied more time for Mr. Mathur and Industrial Engineering assumed a subsidiary place in his activities.

In a couple of days, Mr. Mathur came across a communication which was addressed to Mr. Kumar as Industrial Engineer of the company. This greatly surprised Mr. Mathur as it was his understanding that he was the only Industrial Engineer heading the department of the company. He was very much upset over this. But fortunately in a couple of days, Mr. Kumar informed him that prior to his (Mathur's) joining Mr. Kumar was designated as Industrial Engineer. Actually, Mr. Kumar was working as Production Engineer.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Gradually, through the inquistiveness of employees and the activities of Mr. Mathur, many persons came to know that Mr. Mathur was appointed as Industrial Engineer. In the daily meeting meant for reviewing production and other activities of the company. Mr. Mathur was not introduced. Many persons were wondering how a very young person like Mr. Mathur could come as the head of Industrial Engineering Department. They were wondering about his qualifications and his previous experience.

Mr. Mathur felt that as he was not introduced very properly to the personnel of the company, he thought that he should show more initiative and be a little aggressive so that his department could make a significant headway. To his surprise and annoyance, however, Mr. Mathur found that he was not getting an encouraging response and willing co-operation to the new thinking and techniques that he was seeking to introduce. Some of the Departmental Heads had also not liked Mr. Mathur reporting to the works Manager, Chief Engineer and Directors certain matters directly. They were becoming rather spectacle and cynical both of the Industrial Engineer's function and of Mr. Mathur. They were wondering how Mr. Mathur was competent to comment on their efficiency and that of their departments, particularly when some of the Departmental heads were working with the company almost since its inception. The relationship between the Industrial Engineer Department and the other departments was therefore not very happy and harmonious. The Managing Director viewed the situation and was wondering what he and the organisation should do to remedy the situation.

Discuss the following :

1. What were the circumstances and cases leading to the problems in the organisation ?
2. Suggest remedial action to tackle the problems
   (i) Today
   (ii) In the long run.

POSSIBLE SOLUTION / SUGGESTED ANSWER
CONFUSION OF ROLES

I. BACKGROUND

This case presents need for effective human resources and organisational development programmes for modern business. This case is also an example of conflict between line and staff men.

The company under discussion was a sole trading concern started in the year 1967 and latter became a private limited company in the year 1975 after its conversion being a partnership firm.

The growth of the company was piecemeal instead of any planned basis and several departments were added with a number of senior persons starting their carrier in the company at junior level. It is also possible that some of them had not served or seen other similar companies and were not professional managers. From the details of the case it transpires that organisation of the company was not based on proper job analysis of tasks. It is evident that there was no job specification for industrial engineer and a senior post was created and was given a status of production engineer.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

It can be easily noticed that the company did not possess system of communication. This is evident from the fact that though Mr. Mathur joined the firm on 1st August 76 in arrangements was made to receive him. Mr. Mathur also did not know, to whom he should report, when to report on 1st October 76. There is no proper induction programme also. The first impression of a new entrant and of new employees of the company are important.

Proper system of communication would have made it known to all concerned about Mr. Mathur and his proper job etc.

II. ANALYSIS OF THE CIRCUMSTANCES AND CAUSES LEADING TO PROBLEMS IN THE ORGANISATION

In this company there was no proper or formal organisations showing chain of command as to who should report to whom. Lines of communication between departments and from one department to another. There was no proper job analysis or job specification. The company could have avoided making Mr. Mathur Industrial Engineer and Planning Officer at one and the same time. More so even before he was conversant with the working of the company. It was also premature to give him status of production engineer straight way. Old staff specially various officials and supervisory personnel generally club together when an outsider is given a higher status and do not co-operate with him. As stated in the preamble, some of the senior officials were not academically qualified though practically trained.

The senior officials and departmental heads presented this appointed because no ground was prepared for the appointment of industrial engineer such as reduction of cost, better productivity and efficiency. Mr. Mathur did not, therefore, get necessary co-operation.

Mr. Mathur naturally, reacted to this treatment and tried to show aggressiveness which made his job more difficult.

It can also be pointed out that there was no proper method to introduced and induct persons who were to deal with more than one department. It seems employers had to depend on 'grape-vine' method of communication about Mr. Mathur.

Before sending Mr. Mathur to departments the Technical Director should have made an effort to explain problems regarding productions, costs, methods of promotion, etc. The job of an industrial engineer is difficult as he has to find faults and suggest improvements. The managers, employees, more particularly supervisors should have been explained the job of an industrial engineer. They should have been told that in the present day competitive market cost reduction, higher productivity and time factor carried importance. It should have been explained to them that Industrial Engineer's job is not to simply find out faults but also to suggest the better methods procedures, to improve efficiency and productivity and that he is not a shy or a gastapo but a friend who is technically qualified. He studies time, motion and equipment problems. He has to suggest optimum use of machines, manpower etc.

III. RECOMMENDATIONS

The following remedial actions to tackle the problem can be suggested.

(i) Today

Firstly, the situation should be perceived by discussing with departmental heads of their views and suggestions individually collectively. Then, have a discussion with Mr. Mathur and work out ways to bring the situation back on the rails. It would be better to make Mr. Mathur work as Industrial Engineer only and not planning officer also.

Source: Case Studies in Indian Management by R.M. Shah

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

A specific task should be given to Mr. Mathur instead of making him work without proper direction and allowing him to tackle too many problems at one and the same time. This task should be from Mr. Kumar's department as he is likely to get better co-operation from him. Specific time limit should be a man. It should be made known to all that the managing director and Technical Directors are interested in this project. Mr. Mathur should be advised to show maximum tact to win the confidence of all. If Mr. Mathur can show good results, departmental heads, and employees would come to know the usefulness, of an industrial engineer and will accept his status, his suggestions and advice. In this way, today's situation can be handled.

(ii) In the Long Run

In the long run following actions may be taken :

1. **Preparation of proper organisation chart :** In the long run, proper organisation chart outlines the overall structure of the organisation, its distribution of functions, its levels, its individual positions. lines of authorities and accountability. It enables a person to use the organisation as a whole and to study the interdependence of the various functional aspects of the business unit.
2. **Job description :** There should be proper induction as well as introduction. The nature of job, type of job responsibility of a person, method of a job etc. should be made up-to-date.
3. **Proper Introduction :** There should be proper induction as well as introduction in the case of new entrants.
4. **Clear Specification :** The appointment letters, transfer orders should clearly specify when and whom to report the responsibility on taking over charge.
5. **Proper Reception :** The company should arrange proper reception of new entrants. A person or department by name should be made responsible to secure and induct new entrants. They must be enlightened about the organisation of the company staff etc.
6. **Issue of Circulars :** The company must issue circulars stating job status of a new person, to whom he is responsible and who (the individual by designation) or departmentally in general will be responsible to him.
7. **Senior Persons :** If possible senior persons may be appointed for being introduced in a conference or taken to departmental heads.
8. **Improvement in the Communication System:** Communication is a vital aspect of the managerial process. It involves a systematic and continuous process of telling, listening and understanding. In this case, communication within the organisation needs to be improved. It is difficult to avoid *'grapevine'* rumours but it should not be the main source, though it is of some use.

CONCLUSION :

Errors are just possible but lessons must be learnt thereby and such errors should not be repeated. Every effort must be made to wipe off the unpleasant situation in which Mr. Mathur was placed.

The grapevine communication - In certain cases information is not transmitted through the official channels of communications, e.g. Resignation of a top ranking supervisor may be communicated through grapevines. The use of grapevines may effect prompt actions.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 7

PIONEER FIRM

One pioneer firm was established through the earnest zeal and hard work of a gentleman with no technical background. The firm earned a reputation for its product. However, with the passage of time, the monopoly was lost. In view of growing competition, the gentleman realized the need for infusing new blood into the organisation. His sons were not interested in running the business nor did they seem to have sufficient knowledge of administration or technical know-how. He inducted a sincere man with good technical knowledge and with an understanding of ultimately promoting him as a partner. The firm made good progress after the entry of this man within a short time.

Trouble started when the new man insisted on admitting him as a partner and advised wide-ranging expansion, recruiting specialists etc. He tried to escape the issue by delaying tactics. The firm showed symptoms of losing business. On his heath, one of the sons became the proprietor. He tried to run the firm without this man and intended to follow his father's policy of not adopting new methods and techniques through expert opinion of other people. The business reached the dwindling stage. Later, he compromised to took the man as a partner, introduced and expanded various methods to improve the product, invited specialised knowledge and accepted many of their suggestions. The firm improved quite a lot, still it is thought by many that as a pioneer organisation it could have achieved greater results with more imagination, foresight and by taking advantage of being pioneer in the line.

Questions :

1. How often do we find 'not adopting new methods and techniques through expert opinion of other people' in our country ?
2. What kind of effect these situations have on people ?

POSSIBLE SOLUTION / SUGGESTED ANSWER

PIONEER FIRM

(I and II) BACKGROUND AND ANALYSIS

The firm that was established was really a PIONEER FIRM in the sense that the gentleman who started it had a good lot of earnest real, enthusiasm and hard work in spite of his lack of technical knowledge. The main fact was that the firm earned a reputation for the qualitative aspect of its product. This showed a good beginning for an enterprise of a single devoted proprietor. However, a change took place with the passage of time and the monopoly was lost as a result of growing competition in the field. Hence, the proprietor realised the need for infusing new blood into the organisation. This is realistic, it was unfortunate that his sons were not interested in running the business nor did they care to acquire sufficient knowledge of administration or technical know-how. It is in these circumstances the action of the proprietor is justified in inducting a sincere man with good technical knowledge and with an understanding of ultimately promoting that person as a partner in the business. Obviously, the firm made good progress after the entry of this man within a short period of time.

The firm soon began to face adverse times on account of the fact that the new person became over zealous and insisted the management on admitting him as a partner and not only that he went to the extent of advising wide ranging expansion by recruiting specialists etc. This shows an obviously ambitious attitude of the new entrant. As a result of lack of harmony and proper direction in the firm, there appeared symptoms of the loosing business. The Proprietor adopted delaying tactics by not giving a patient hearing to the appeal of the new entrant. In this manner the proprietor tried to escape the realities. This is one of the main reasons for the firm to show losses.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

There was no proper planning and organisational set up on the part of the proprietor. Planning is the life blood of any business organisation. Without planning an organisation may follow a path just as a horse may do without bridle. Naturally, the death of the proprietor one of his sons who became a partner adopted his father's policy of not adopting-new methods and techniques and in not seeking the expert opinion of other people.

In these circumstances, the business had to show dwindling stage.

Even though the new Proprietor compromised in the turbulent situation by taking up the new man as a partner still it is a step that can be considered as a very late step in the chart of practical management. Further, various methods of expansion were introduced to improve the product by inviting specialists and accepting their suggestion. No doubt, the firm improved.

But still it is thought by many that an organisation which grew up as a result of an earnest zeal of a gentleman, did not really prove itself in the long run as a 'pioneer organisation'. Had the Proprietor dealt with the situations with proper imagination and foresight, the name would have really stood true its name as a 'pioneer'.

III. ANSWERS TO THE QUESTIONS

1. It is a common ailment of most of the Proprietary and as well as the Partnership business organisations in our country, to oppose drastic changes. This kind of opposition to the adoption of the new methods and techniques is a consequence of not only ignorance but the lack of entrepreneurial skill and foresight. No doubt their are some firms which really introduced radical changes and adopt entrepreneurial risk by taking a proper approach but the number of such firms in our country are very few in number. A notable feature is experts are not consulted well in time. Late consultation proves more often useless and what more even fatal. Firms can thrive only if the entrepreneurs not only start with zeal but also with a proper technical know-how and proper planning with consistent organisational set up.
2. People generally admire those organisations that show greater imaginative fore-sight and specialized knowledge by bringing about more better qualitative products from time to time. Consumers always prefer an 'improving commodity' they like change for the better. Consumers always have fascination for what is new and what is more durable and qualitative. They always desire to get back full worth for what they spend. Hence, organisations of the above type should not be imaginative policies on the basis of planning in time.

ILLUSTRATION 8

THE GENERAL ELECTRONICS COMPANY

A well-known financial house started an industrial unit using new technology under the name General Electronics Company. Their system of management in general was of the old type where everything was centralised on a personal level. However, in the case of the new industry, due to various factors like distance time etc. the industry was allowed to develop on autonomous lines and was put in charge of a UK trained Engineer.

Considering the various aspects, the industry was developing well. But, due to lack of adequate attention to labour and industrial relations, as strike developed, it generated tension and fears among the executives both on the production side and in other departments. Several engineers and executives left jobs including the Labour Officer who felt insecure due to vacillation and interference from top management.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Finally, the strike was resolved. But some workers were still under charge-sheets. Their cases had been conducted by the new Labour Officer who had joined at the height of the strike.

One day, the Factory Manager received a call from the Managing Director to dismiss the new Labour Officer immediately. He solicited reasons at least to justify his action, but to no avail. In fact before long, the Managing Director came personally, went to the Labour Officer directly and gave him the dismissal letter. The Labour Officer was recruited by the Factory Manager and so he went to him but the Manager could do nothing now.

1. Analyse the factors that led to a breakdown of industrial relations in the Electronics Company.
2. How should the cases of charge-sheeted employees be dealt with ?
3. What course of action will you suggest for the Factory Manager ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
THE GENERAL ELECTRONICS COMPANY

I. BACKGROUND

The General Electronics Company was started by a reputed Financial house. Its, management system was orthodox and centralised. The industry was allowed to develop on autonomous lines due to distance, km. etc. A U.K. trained engineer became the incharge of this company. In this industry, a strike was developed due to inattention towards labour and industrial relations, which resulted in tension and fears among the executives. The officers who felt insecured, left the job. In the end the strike was resolved but some workers were still under charge-sheets and a new labour officer was appointed to deal with these cases.

One day the orders were issued to Factory Manager for dismissal of the new labour officer. He tried to justify his action but it was of no use. Later on, the Managing Director personally gave the dismissal order to the new Labour Officer. The Labour Officer approached Factory Manager since Labour Officer was recruited by the Factory Manager but Manager was unable to help him.

II. ANALYSIS

The General Electronics Company was started by a well-known Financial house who were using modern technology. The management system in this Company was orthodox and this company was an example of centralised management wherein everything was centralised at the top level. The industry was allowed to develop on autonomous lines because of various factors like distance, time etc. A.U.K. trained Engineer was appointed as in charge of this industry. His specialised knowledge was the main reason of his appointment. The industry was developing in a proper manner. But, later on a strike was developed in the industry. The main reasons of the strike were (i) inattention towards workers, (ii) improper industrial relations. The strike always produces bad results. The above strike was resulted in generating tension and fears among superiors. Thus, the production side as well as departments were affected. Due to vacillation and interference of top management superiors, several engineers and labour officer left jobs.

Later on, the strike was resolved. But some workers were still under charge-sheets. A new labour officer was appointed to deal with the charge sheeted workers' cases.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

One day, the Managing Director ordered the Factory Manager to dismiss the new Labour Officer with immediate effect. Naturally, the Factory Manager tried to justify his action but he was not succeeded. Later on, Managing Director personally handed over the dismissal letter to the Labour Officer. Since the Labour Officer was recruited by the Factory Manager he went to him but the Factory Manager was unable to help him. This order was issued by the Managing Director i.e. the top management. Hence, Manager was supposed to obey the same.

III. ANSWERS TO THE QUESTIONS RECOMMENDATIONS, CONCLUSION ETC.

(I) The factors that led to a breakdown of industrial relations in The General Electronics Company, can be mentioned as follows :

1. **The orthodox system of management :** This is the important factor that led to a breakdown of industrial relations in the Company. The system of management in general was of old type.
2. **Centralised Management :** In this Company everything was centralised on personal level. No doubt that there are some advantages of centralisation. But at the same disadvantages are also there.
3. **U. K. trained Engineer :** The appointment of U. K. trained, Engineer is also one of the important causes that lead to a breakdown of industrial relations in the General Electronics Company.
4. **Inadequate attention to labour and industrial relations :** In order to develop better industrial relations, proper attention must be given to labour and industrial relations. But due to inadequate attentions to labour and industrial relations, in the General Electronics Company, a strike developed.
5. **Tension and Fear :** Tension and fear leads to low productivity. Tension and fear among the executives, both on the production side and in other departments was one of the reasons of a breakdown of industrial relations in the General Electronics Company.
6. **Insecurity due to vacillation and interference from the top management :** In the General Electronics Company, several engineers and executives left job including the Labour Officer who felt insecure due to vacillation and interference from top management.

II. CASES OF CHARGE-SHEETED EMPLOYEES

1. The cases of charge-sheeted employees can be dealt with as under : Whenever an employee is to be charge-sheeted then immediately he cannot be dismissed from his job. The Company will have to arrange for domestic enquiry, wherein charge-sheeted employee's case be analysed and if he is found guilty then only he can be dismissed by giving him a proper notice.

Then the employees will have right to solve their cases by adopting various measures and means such as :

(i) Request to Labour Officer
(ii) Collective Bargaining
(iii) Company Arbitration
(iv) Works Committee)
(v) Conciliation Officer) **Machinery for settlement**
(vi) Conciliation Board) **of Industrial Disputes.**
(vii) Industrial Tribunal)
(viii) Courts of Inquiry)
(ix) National Tribunal

Whatever decision will be given by the machinery for settlement of industrial disputes is required to be obeyed. It is compulsory. One has to accept it.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

2. Course of action for factory manager : The under mentioned course of action we can suggest for the Factory Manager.

Dismissal is not only a wrong action but also an illegal step on the part of the Managing Director. It is, therefore, the paramount duty of the Factory Manager to explain properly the legal facts to the M.D. Otherwise, the Factory Manager would be a party to an improper action. In the circumstances if the M.D. disagrees the Factory Manager should protest and submit his resignation.

ILLUSTRATION 9

PROBLEMS OF PROPER CO-OPERATION IN COMPANY 'X'

A developing organisation appointed a general manager to take care of increasing business. The order backlog was increasing substantially. The new manager felt the production manager was not a capable man and appointed a new production manager. As per the previous set up, the inspection department was reporting to the production manager, since it was found convenient to effect co-ordination. In six months, production increased appreciably. Shop inspection was restricted to dimension checking and to major specifications. The performance tests could only be carried out on site after erection.

The machinery was dismalted for despatch which was then assembled and erected on site by the erection division. Erection was placed under the sales department for maintaining proper liason with the customer. Usually there were complaints from erection supervisor about irregularities in manufacture which came in the way during erection.

After a short-working of a machinery, complaints came from the users about non-satisfactory performance. In many cases, the 'post mortem' was difficult. The damage was of such a nature that the reasons could be attributed to production quality as well as to lack of erection case sales would blame the production and the production would blame erection. In the process, the company suffered considerably.

Analyse the case and suggest the solutions.

POSSIBLE SOLUTION / SUGGESTED ANSWER
PROBLEMS OF PROPER CO-OPERATION IN COMPANY 'X'

I. BACKGROUND OF THE CASE :

In a growing organisation say company 'X', decided to expand its business, for this purpose the company employed a general manager who would take care of increasing the production and business. The General Manager received lots of complaints regarding the backlog of the activities i.e. the products were not completed or manufactured in the given period of time which resulted in dissatisfied customers. The General Manager thought that the Production Manager was not a capable man and so appointed a new Production Manager. Then it was found that the production increased appreciably. The inspection department was reporting to the production manager, as it was convenient to effect coordination.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

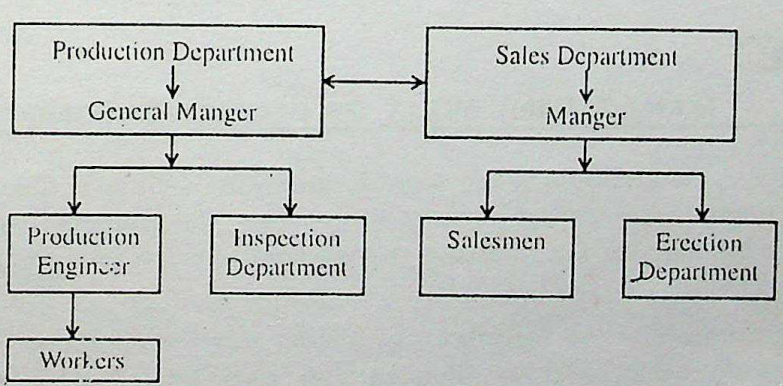
Gandhi Memorial College Of Education Bantalab Jammu

But now the inspection was done only at the major details of engineering work and restricted to area checking only. The performance of the machinery manufactured was not tested. It would be done on the site after the erection. The erection was done by the erection department which reported to the sales department to maintain a connecting link with the customers. Erection supervisor found irregularities in manufacture, which came on the way at the time of erection. The customers, after using the machinery for a short time complained about the unsatisfactory performance. The reasons for damage were attributed to production quality and lack of erection care. Sales blamed the production department and production department would blame the erection department. This caused a great loss to the company.

II. ANALYSIS OF THE CASE :

1. **Name of the Company** : Company X
2. **Production** : Production or manufacture of machinery
3. **Number of Departments** : Four namely
   - Production Department
   - Inspection Department
   - Sales Department
   - Erection Department
4. **Organisation Structure** : The Inspection Department reported to Production Department and the Erection Department reported to sales Department.
5. **Main Problem** : No proper coordination between different departments and thus resulting in the loss of the company.

FUNCTIONAL DEPARTMENTATION



III. PROBABLE SOLUTIONS

In any organisation or any industry it is necessary to have proper coordination between different departments. In this case, the sales department blamed the production department and the production department blamed the sales or erection department for the complaints received by the customers. To expand the business and to have maximum production the production department manufactured the machineries and erected on the site of the customers, but the inspection was not done. The erection department complained that the irregularities in manufacture came in their way during erection.

CC-0. Panjab Digital Library Collection. Digitized by eGangotri Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In this case Production, Planning and Control Department i.e. Production Planning and Control department can be set up, which can take care of the whole process of proper planning of production and inspection so that no complaints will be received from the customers. The following measures should be taken proper coordination in an organisation.

1. **Introduction of Production Planning and Control department :** The production planning and control department, will plan the whole process and the time required for the manufacture so that the date of delivery can be ascertained, when the process of production and inspection is fully complete. The production planning and control department will instruct the sales department to give those dates of the delivery so that the customers do not complain about the late delivery.

2. **Finding out the critical path :** Critical path is the longest route to complete the activity in the least time or minimum time. When the process of manufacture is fined, the critical path to complete that activity can be found out, so that there is no difficulty in completing the job.

3. **Ensuring of proper co-ordination :** The main problem of this organisation is that there is no coordination of activities. Production department is behaving and working as it wants and the erection department complains about the irregularities in manufacture which comes in their way.

4. **Proper inspection before delivery :** The performance of the ready machinery should be inspected, before erection at the site of the customer so that the customer will not complain about the unsatisfactory performance.

In the above case, there is no problem in quality or erection of the machinery, but the problem lies in lack of proper coordination of the activities in the organisation. Proper chain should be formed i.e. the activities should go on in that chain only so as to gain an effective business. Proper control of the activity can be maintained by the production, planning and control department.

ILLUSTRATION. 10

MANAGEMENT SKILLS OR DECISION-MAKING

There was a serious strike in a big scale Engineering Industry. The nature of industry was such that the major strength of workers was coolies. The Mukadam of labour was coming everyday on duty but he was not allowing the workers to come to work. He was a leader in disguise.

The General Manager of the Industry was having a serious problem because the workers had a strong union. After serious thought and consultation with his colleagues and subordinates, the General Manager devised a method by which he could attempt calling off the strike.

He called the Mukadam and told him that it was an opportunity when all the relations and friends of the Mukadam could be employed because the Management has decided to take fresh labour. The Mukadam fell for the bait and next day there were 50 relations of the Mukadam working in the factory. This created a desired effect on other workers on strike and they also started coming to work in a few days.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Now, the newly employed workers who were related to the Mukadam started bragging about their relationship to the Mukadam and they were not doing any work. This was an opportunity the G. M. took to prove inefficiency of the Mukadam, thereby terminating his services. This way the strike was completely called off and the main person responsible for the strike i.e. the Mukadam, was also got rid of.

Analyse the case and suggest the solutions.

POSSIBLE SOLUTION / SUGGESTED ANSWER
MANAGEMENT SKILLS OR DECISION-MAKING

I. BACKGROUND :

The case deals with decision-making. In a large scale engineering industry, there was a very prolonged strike. The nature of industry was such that the major strength of workers were coolies. The Mukadam who was their leader, used to come to work everyday, but he was not allowing the workers to come to work. He was certainly their leader in disguise.

The General Manager, of the company was a troubled man. He decided to adopt a policy by which the Mukadam could also be dismissed and the strike could also end. He knew the workers had a strong union. After a serious meeting with his colleagues and sub-ordinates, the General Manager found out a way to call off the strike.

He called for the Mukadam one day and asked him to get his relatives and friends to the factory to work, as the management had decided to do so. As the General Manager had expected, the Mukadam fell for the bait. The very next day, the Mukadam got his 50 relatives to the factory to work. The coolies on seeing this resumed their duties in the factory too.

But it so happened that the newly employed workers started bragging about their relation with the Mukadam and they did not do their work. This gave an opportunity to the General Manager to prove the Mukadam's inefficiency and he successfully terminated the Mukadam's services.

This way the strike was completely called off and the Mukadam too was also got rid off.

II. ANALYSIS OF THE CASE :

Nature of the Industry	:	Big scale industry
Type of Industry	:	Engineering Industry
Major Strength of workers	:	Coolies
Leader of the workers	:	Mukadam
Problem Faced by the Industry	:	To end the strike and to terminate the Mukadam from his services.
Union	:	Strong union
Mukadam	:	He was the leader in disguise. He was a selfish man. He thought only about the welfare of his relatives but not about his fellow workers.
General Manager	:	He was a very troubled man. He was very troubled by the prolonged strike. He wanted to remove the Mukadam because he was not fulfilling his duties properly. He succeeded in removing the Mukadam from his services.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

III. RECOMMENDATIONS / POSSIBLE SOLUTIONS

The General Manager has taken a right decision by terminating the services of the Mukadam who was the leader of the workers.

But since the reasons for which the strike was started are not mentioned specifically, solutions are given according to what could be the reasons for strike.

STEPS TO BE TAKEN BY MANAGEMENT :

1. **Finding out the possible causes of strike to call of strike :** An attempt should be made by management to find out the possible causes of strike and to call off strike. All factors which caused the strike should be properly studied and scrutinized, and measures should be implemented in order to avoid heavy financial losses.
2. **Meeting of Management with the Mukadam :** Meeting between the Mukadam and management should be arranged, which will help management know in clear terms the demands of the workers. Depending upon the demands, management can take proper decisions whether to satisfy the demands or not.
3. **Issuing memo to the Mukadam :** Memos should be served to the Mukadam, asking him to allow the workers for resuming their services and threatening him with direct consequences if not done accordingly.
4. **Incentives to the skilled workers and arrangements for training :** The industry or management should provide incentives to skilled workers and also make arrangements for training to unskilled workers. Management should make arrangements for purchasing and providing material handling equipments, which would not only reduce the work load of the workers but also reduce costs in general. Management should reduce the need for *coolies*, in the industry, as far as possible employ only skilled workmen.
5. **Awareness of Responsibility :** The new workers when employed, should be made aware of their responsibility. Workers will only assume their responsibility, when they are provided security of service.
6. **Proper and well balanced organisation structure :** The organisation structure should be proper and well-balanced, so that it becomes easy to take quick decisions promptly and effectively.

STEPS TO BE TAKEN BY MUKADAM :

1. **Representation of the workers organisation structure :** The Mukadam who was the leader of the workers should present his demands before management, before going on strike.
2. **Action of Mukadam :** The Mukadam should not have gone to work, when the strike was going on.
3. **Mukadam's Responsibility :** The Mukadam should not be particle. When the management decided to have new labour force, he readily got his relatives and did not bother about his fellow workers. He should have firstly thought about the effects of strike on the workers.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4. **Efforts to call off the strike :** The Mukadam should have opposed the decision taken by management to employ new labour force. As a leader he should have taken more efforts to call off the strike.

5. **Abide by the rules and regulations of Trade Unions :** The Mukadam, as the leader of the workers should abide the various rules and regulations of the Trade Unions Act.

Thus, is some of the recommendations / possible solution can be suggested.

ILLUSTRATION 11

DELEGATION OF AUTHORITY

A person well-known among high Government circles, business circles as well as professional management circles was invited to wind up a group discussion on delegation. He observed somewhat as follows :

You know, delegation is a funny thing, I have two top executives and I have delegated most of my work to them. I have told them not to come to me. But they still come every now and then, and tell me, 'Sir here is a matter on which I have done everything, but I would still like you to give it a once over (have a look at it). Now there it is !'

"The audience consisted of high level executives and consultants of a metropolitan city. They all laughed and the meeting was over."

Critically comment on the case.

POSSIBLE SOLUTION / SUGGESTED ANSWER
DELEGATION OF AUTHORITY

I. BACKGROUND :

In this case, the person addressing the crowd faces the problem of improper delegation of authority.

Personal attitude towards delegation plays a vital role. His real problem as narrated by him is that his subordinate rush to him as soon as task given to them is completed.

According to him, the work done by his subordinates should be controlled and managed by them. He feels that he has delegated authority and has proved that he trust his subordinates for the same.

His subordinates feel their work should be checked or looked into by the superior. He complaints regarding this fact. As a superior he has given the subordinates discretion to make decision, which the subordinates do not do themselves infact ask the superior to do.

The fact stating that the superior has told his two executives not to come to him regarding his delegated work means that he allows them to make mistakes and considers the same to be an investment for personal development of the executives.

II. ANALYSIS :

Delegation is necessary for an organisation to exist. Authority must be delegated to the subordinates, who will make decisions within the area of their assigned duties.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Most failures in effective delegation occur not because manager do not understand the nature and principles of delegation but because they are unable or unwilling to apply them. Such is the case of the speaker.

The speaker is a well-known personality. He contributes into the group discussion by mentioning how he faces delegation among two executives. In any group discussion we often listen to many different speakers. The speaker was called to end the group discussion.

When he came and stated that the delegation was a funny thing he meant he had already given his subordinates his job which he expects them to carry out the work without reporting the accuracy of the jobs.

Although no responsible manager would sit idly by and let a subordinate make a mistake that might endanger the company or the subordinate's position in the company, continual checking to ensure that no mistakes, are ever made will make true delegation impossible. Since everyone makes mistakes a subordinate must be allowed to make some and their cost must be considered an investment in personal development.

Serious or repeated mistakes can be largely avoided without nullifying delegation or hindering development of a subordinate. Patient counselling asking leading or discerning questions and carefully explaining the objectives and policies are some of the methods available to the manager who would delegate well. None of these techniques involves discouraging subordinates with intimidating criticism or harping on their shortcomings.

Willingness to trust subordinates as in the case is an essential point of delegation of authority. Although the good organiser will approach the delegation primarily from the stand point of the task to be accomplished, in the final analysis staffing as a part of the total system of delegation cannot be ignored.

Delegation, which is an art, is influenced by personal attitudes, hence it is to be well understood.

POINT OF VIEW OF THE SPEAKER :

In the case we observe that the two top executives whom the speaker has executed his jobs, come to the speaker for the final test check on the work carried out by them. This shows that the subordinates are not confident about their working capabilities. They are dependent on their superiors for the decisions. This is a great problem for the idea to delegate authority by the speaker was in order to reduce the work load burden from his shoulder and pass it to his subordinates.

However, even after delegation the subordinates return to the speaker for decision, makes the whole process a total waste as it again happens to come to his own shoulders. The fact that the speaker had engaged these executive was to help him to reduce his decision making function which he thought could be carried out by the executives. But still the executives would want the speaker to go through the work carried out by the executives.

POINT OF VIEW OF THE EXECUTIVES :

Once delegation of authority is received by the subordinates there is a fear in the minds that they would be held responsible for the same. The executives want the speaker to go through the work done by them so that in case any rectification is needed same can be done before putting the work into operation.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

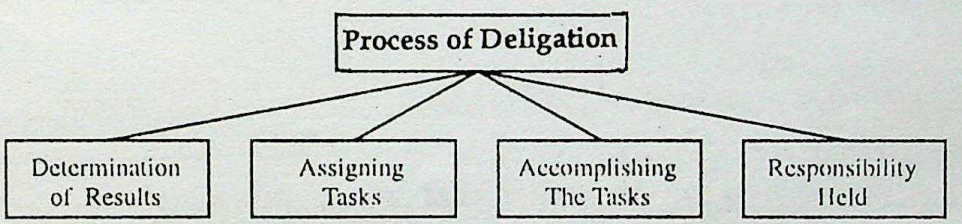
At times the information given and material in hand may not be according to the instructions mentioned by the superior in such a case if the subordinates is shown the work before making decision a better idea is created with the help of superiors, hence the two top executives want the speaker to go through the work as soon as they have completed the same.

The executives do not want the total blame of failure in case of the work done by them to lie on themselves. They want it to be shared by the superior who has delegated the work to them.

Authority is delegated when a superior gives a subordinate discretion to make decisions.

The process of delegation involves :

1. Determining the results expected from a position
2. Assigning tasks to a position
3. Delegating authority for accomplishing these tasks
4. Holding the person in that position responsible for the accomplishing of the tasks.



In the present case the person who delegates authority is willing to give other persons idea a chance. This person has totally given the work under his subordinates by way of welcoming their ideas but does not help them by carefully explaining or patiently counselling their accomplished task.

III. GUIDELINES FOR OVERCOMING THE PROBLEM :

1. **Define assignments and delegate authority** in the light of results expected. He should make his subordinates aware of the fact of the objective of the assignment. He should make an understating of the result expected from them.

2. **Maintain open lines of communication :** There should be a free flow of information between superior and subordinate, furnishing the subordinate with the information needed to make decisions and to interpret properly the authority delegated.

3. **Establish proper controls :** There cannot be relinquishment of responsibility, hence delegation should be accompanied by techniques ensuring that the authority is properly used. Once controls are created the delegation works smoothly.

4. **Reward effective delegation and successful assumption of authority :** Managers should be ever-watchful for means of rewarding both effective delegation and effective assumptions of authority.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 12

DESIGNING OF PROPER CHANNEL OF DISTRIBUTION

Sudhir Joshi and Kailash Deshpande are two brilliant electronics engineers. After their graduation from College of Engineering, Pune, they decided to set up their own business. Right from the college days they had developed different electronic gadgets for home use.

However, for the commercial production, they decided to manufacture car radios to begin with. Later, they had plans to take out cassette players. Both Joshi and Deshpande come from Middle Class families. As such, raising finances will always be a problem with them.

The market for car radios is dominated by Small Scale Manufacturers. Majority of them are from Delhi, and Punjab area. Suprisingly, better known names are not making car radios. They offered car-radio to a friend of their who own a large automobile service station. He found the car-radio very satisfactory. He asked the engineers to make more sets, but the engineers found that they were making around 10 - 15 car radios per month. The only outlet that was used for marketing was this automotive service station. At this juncture, the two partners decided to go in a big way. They found that their quality was superior and prices were almost 25% lower than the others. They were confident about their product, but their problem is how to distribute the product on all India basis ?

Question :

What recommendation would you offer to engineers to design the channel of distribution for their product ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
DESIGNING OF PROPER CHANNEL OF DISTRIBUTION

I. BACKGROUND :

Sudhir Joshi and Kailash Deshpande both graduated from College of Engineering, Pune. They are electronics engineers. They both are brilliant and belongs to middle class family. Since they were in college, they made different kinds of electronic gadgets for home use.

Now, they have decided to do business on their own. They also decided to start with car radios for the commercial production. After-wards they have a plan for manufacturing cassette players. But, since they are from middle class family, they have problem in raising fund.

There are also some other small scale manufacturer in the market, who are producing car-radios, however, the better known manufacturer are not producing car radios. The majority, who are producing car-radios are from Delhi and Punjab, have sound financial position.

Sudhir and Kailash offered a car-radio to one of their friend, an owner of a large automobile service station. He found it very satisfactory and asked them to supply more.

Sudhir and Kailash were making 10 to 15 car radios per month. Their quality was superior and prices were almost 25% lower than the prevailing prices of the same goods in market.

Both Sudhir and Kailash were confident about their product. Thus, they decided to have an expansion in their business i.e. to produce and market their goods in all India basis. They had the only outlet for the market was their friends automotive station. Thus, they are facing problem in designing proper channel of distribution for their manufactured goods i.e. car-radios.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

II. ANALYSIS OF THE CASE :

When we go through this particular case and its back-ground, we find the following details.

Manufactures : Sudhir Joshi
Kailash Deshpande

Educational background : Electronics Engineers

Family background : Middle class

Manufactured goods : Car-Radios (initial)
Cassette Players (Planned)

(a) Quality : Superior, satisfactory

(b) Price : 25% lower than the prevailing price in the market for the same goods

(c) Output : 10 to 15 car radios per month.

Market condition : Only outlet available is their friends automotive station.

Other manufacturers : Market is dominated by some small scale manufacturer; majority of them are from Delhi and Punjab.

Future Plannings : Both Sudhir and Kailash have the following future plans regarding their business;

(i) Sudhir and Kailash want to expand their business by increasing production.

(ii) Sudhir and Kailash want to reach the all India market through proper channel of distribution.

(iii) Later, Sudhir and Kailash want to add new products in their product line for e.g. Cassette Player.

Difficulties Encountered : Sudhir and Kailash faced the following difficulties or problems regarding their business;

(i) Since Sudhir and Kailash are from middle class family, raising of fund is always a question.

(ii) Sudhir and Kailash do not have adequate linkage; thus their market is very limited.

(iii) Sudhir and Kailash do not know which channel of distribution will be suitable for their product, as they want to distribute the product in all India basis.

(iv) The prevailing market is dominated by small scale manufacturers. Majority are from Delhi and Punjab, who are having sound financial position so they have to compete with the other manufacturer. However, the better known names are not making car-radios.

III. RECOMMENDATIONS :

The following remedial actions to tackle the problem can be suggested :

1. **Conducting Market Survey and Research :** First of all, as Sudhir and Kailash want to go in a bigway, and distribute their product in all India basis, they should conduct market survey and research by which they can get the idea about the actual demand for the goods.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Market Segmentation on Sectoral/Geographical area basis : After determining the actual demand or the total demand. Sudhir and Kailash can divide it into sectoral or geographical area basis i.e. the monthly requirement of each state, which can later be classified or divided broadly into various district requirements.

3. Estalishment of Automotive Service Stations : By proper survey, Sudhir and Kailash can then find out the most preferred automotive service stations in each districts and ask them to act as agents on behalf of them. If the service stations deny to act as agents, with their permission they can keep their own agent.

4. Incidental Expenditure (Advertising and Distribution) : As the price of their goods are 25% lower than the other manufacturer who are producing same goods, so Sudhir and Kailash can spend to some extent on advertising, commission payment to agents, distribution costs etc.

5. Spare parts and Electronic devices : Sudhir and Kailash can consider the service stations as wholesaler and retailers and the shops of spare parts and electronic devices as the retailers.

6. Better and effective channel's : Last but not the least, Sudhir and Kailash should find out how other manufacturers are marketing their goods, and through proper study they should find out more better and effective channel.

ILLUSTRATION 13

CONFUSED FOUNDRY MANAGER

This case concerns person who is now Foundry Department of a light Engineering firm in the Punjab.

Six years ago, he joined the same concern in the Foundry Department as an Apprentice Engineer fresh from College. He had been a good student and had sound technical department. He was quick at learning the various points of his job and he impressed his seniors as being a competent young man who was prepared to accept responsibility and could be safely entrusted with it. He himself was not over-ambitious and knowing that the firm was a fairly conservative one, he did not harbour expectations of any spectacular promotions etc.

But things move differently. Due to unforeseen circumstances his immediate bosses who severe Germans from the collaborting firm, left earlier than expected and there were sudden vacancies.

With a couple of quick promotions, he found himself Foundry Manager within a matter of four years of his joining.

And now, there occurred a subtle change in his manner of thought. He began to discover the difference between doing a good job himself and getting a good job done by others. His own technical know-how was not very helpful here. He discovered that technical advice to certain of his subordinates was interpreted as interfere once in their work. Production targets and schedules he now made, and which he was confident he would have been able to carry out himself could not be met by them.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In his zeal to achieve results, he started making decisions for them and in certain cases bypassed their suggestions and authority. All this built up a good deal of resentment in the engineers below him, and they resorted to indirect sabotage of his plans.

Workers and foremen severe puzzled by contradictors orders. Labour morale went down and production slumped. He felt puzzled and regarded his subordinates as incompetent and useless. He still does, and when last heard, he was on the lookout for a new job.

Questions :

1. Comment about the delegation of stork by the Foundry Manager.
2. What steps will you (as a part of Top Management) take to achieve better results ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
CONFUSED FOUNDRY MANAGER

I. & II. BACKGROUND AND ANALYSIS

A person who joins a light Engineering firm in Punjab as an apprentice Engineer rose to the position of Foundry Manager within a period of four years. This would not have been possible but for his sound technical knowledge, hard work, competence and a willingness to accept responsibilities. He impressed his seniors bid his work and conduct. A notable fact was that he was not over ambitious and knew that the firm was a fairly conservative one and hence he did not harbour expectations of any spectacular promotions.

But chance took place in the firm as a result of his immediate bosses leaving the firm. They ever from the German collaborating firm and they left earlier than expected. This resulted in sudden vacancies, and a person who joined the Foundry department as an apprentice engineer was promoted as Foundry Manager.

There soon occurred a change for the Foundry Manager. His manner of thinking underwent a radical change. He began to discover the difference between doing a good job himself and attain a good job done by others. His technical know-how was not very helpful to others. He soon discovered that his technical advice to certain of his subordinates was interpreted as interference in their work. Production targets and schedules became meaningless. Even though he was confident of carrying out the schedules as per the targets still he could not convince others and enlist their support and co-operation.

A notable error that he committed was that he forced his decisions on others. He bypassed their suggestions and authority. In his zeal to achieve results he neglected the 'human relations' aspect in management. His behaviour, naturally, built up good deal or resentment in the engineers below him and they resorted to indirect sabotage of his plans.

Contradictory orders made workers and foremen non-puzzled and puzzled. Obviously labour morale had to go down and production began to slump. The Foundry Manager felt puzzled. But it is strange that he began to throw the blame at the doors of his subordinates by condemning them as incompetent and useless acts being what they are it is not surprising to find the Foundry Manager as a disillusioned man. Obviously he was looking for a new job.

*Based on Case Studies / Source 105 Nov. 1978-MBA (University of Poona)

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

III. ANSWERS TO QUESTIONS

1. The Foundry Manager has not understood that proper delegation of authority is the essence of a good organisation. It is only on the basis of appropriate delegation that the affairs of an enterprise can be managed in a satisfactory manner. Through delegation alone an organisation comes to life. Unless authority is delegated, assignments can never be accomplished in an organisation.

Delegation of authority may be downward, upward and sidewise. Just as authority is the key to the Manager's job, delegation authority is the key to organisation. Andrew Carrnegie has as rightly remarked "when a man realises he can call others in to help him to do job better than he can do it alone, he has taken a big step in his life."

The problem of delegation of authority can be stated as under -

1. The need for delegation should be properly realised.
2. The delegation should be based on intelligent and consistent planning.
3. The delegator should feel secured and be convinced of the dependability of the delegates.
4. The delegator and the delegates should believe firmly in the tenets of proper delegation and should realise the duties and responsibilities thereof.
5. The atmosphere in which the delegated should work should be free from fear of criticism and should never be polluted with frustration.
6. In the discharge of his tasks the delegates should be given wherever necessary proper guidance and assistance.

In all the above respects the Foundry Manager has miserably led. He has not delegated authority in a proper manner, nor has he shown any initiative to create a work-climate that is free from fear and frustration.

2. In order to achieve better results, I would take the following steps :
   (i) Duties and tasks to the various sectional heads would be properly assigned.
   (ii) Authority would be granted in a fitting manner so as to bring about a work-climatic that is free from fear and frustration.
   (iii) Definite obligations would be created and the accountability would be stated and replied out in clear-cut meaningful terms.

By strictly adhering to the principles of delegation, I would strive hard to see that the activities in the entire organisation are integrated and coordinated so as to achieve the unity of purpose in an effective manner.

ILLUSTRATION 14

THE JANATA ELECTRONIC COMPANY LIMITED

The Janata Electronic Co. Ltd. stood true to its name as the most popular and Janata-minded Company noted for its paternal approach. The Company enjoyed good reputation on account of its fair and generous treatment of its working force. There was over staffing a Staff, turnover was low, morale was average and productivity was low in the offices. However, excellent welfare schemes were in operation and the business prospered as a result of its products being excellent and unique.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Its personnel policy underwent a modification as a result of a newly introduced staff-appraisal scheme. No doubt, the scheme conformed to generally acceptable standards. But the scheme had two notable exceptions. One was, the appraisals were to be confidential only for the eyes of the management. The other was a system of grading of performance that consisted of four levels.

The limits of grading were as under :

Limit		% Increase on pay
A = excellent performance	) 30% of all	14
B = good performance	) gradings	8
C = average performance	) Not below 70%	4
D = below average performance	) of all gradings	0

This scheme operated well for a period of two years. But management began to note at the time of appraisal interviews that staff were disgruntled. The confidential nature of the reports and the grading limits were very much resented by the employees. It seas argued that an employee who was entitled to an A or B grading could be graded C, because the limit of 30% had already been reached.

These two years of the scheme, coincided with an alarming increase in turnover which through analysis, indicated that a high proportion of the leavers were well thought-of staff.

Questions :

1. What would you do in these circumstances ?
2. As the business is prosperous, over-stated and already generous to employees would you argue that there is no point in making any change ?
3. Is the paternal approach outdated now ? If so, give your recommendations.

POSSIBLE SOLUTION / SUGGESTED ANSWER
THE JANATA ELECTRONIC COMPANY LIMITED

I & II. BACKGROUND AND ANALYSIS

The notable fact in this case is the paternal approach adopted by the Janata Electronic Co. Ltd. The Company was popular account of its fair and generous treatment towards its workers. Welfare schemes were in operation and business of the Company was prosperous on account of its unique products.

With the introduction of the staff appraisal scheme, a change in the personnel policy was an obvious fact. Even though tile scheme conformed to generally acceptable standards, still the working force took this change will some misgivings. The confidential nature of the appraisals and the system of gradation and limits were not appreciated. This is obvious from their argument that an employee who was entitled to an A or B grading could be graded C, because the limit of 30% had already been reached. This argument is quite logical. Time alone brought about the impracticability of the scheme, mainly because, the two years of the scheme coincided with an alarming increase in turnover. Further, an analysis indicated that a high proportion of the leavers very well thought-of-staff.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

But a situation such as this would not have arisen had the management the views of the working-force in regard to the introduction of the system of gradation. Furthermore each and every worker should have been informed about his or her level of efficiency. But this was not done. The confidential nature of the appraisal was very much resented. In this circumstance, to avoid deterioration in the state of affairs, the management should have either withdrawn the system of gradation or modified it suitably, on the basis of the views of the working-force. Paternal approach should be tempered with practical acceptability.

III. ANSWERS TO QUESTIONS

1. There is no apparent justification in keeping the appraisal reports confidential. In not permitting an employee to know the truth, is very much unjustifiable. It is this very reason that has generated suspicion and mistrust amongst the workers. The purpose of any 'Appraisal' whatsoever is to enable too worker to know for himself what the management feels about his work and efficiency. It is unwise to keep the worker in the dark. I would suggest the immediate withdrawal of the 'confidential aspect ' in the system of appraisal.

2. The notable reason for the dissatisfaction amongst the working force is the fixation of limits in the systems of gradation. Probably the restriction might have been imposed to conform to budgeted increase. In that case the management should have indicated revised percentage increase for each grade at the end of two-years period. In the absence of such a progressive indication the scheme is bound to be attached. This is what exactly happened. Hence, limits should be immediately revised. This alone is the best remedial measure in the present situation.

3. The paternal approach becomes out-dated if it is not tempered with practical acceptability. Paternal approach beyond a limit becomes inconsistent and unjustifiable. The worker should be guided and motivated properly. Before the introduction of any drastic change in policy pertaining to workers it is necessary on the part of every management to know the rules of the workers. Management should give due weightage to the opinions, views, suggestions and criticisms of the workers before embarking upon schemes of this kind.

ILLUSTRATION 15

Mr. HARI PRASAD : THE ADMINISTRATIVE MANAGER

Mr. Hari Prasad is the administrative manager of the X.Y.Z. company. It is a medium-sized company. Mr. Hari Prasad had been working in that company for over 10 years as Secretary and Chief Accountant. His record leas excellent. Recently he has been selected as the administrative manager. This new post was created a year ago.

As a result of this change, output of his work in the office dropped considerably and morale became low. There was an alarming increase in staff turnover.

To study the situation, the managing director engaged a consultant. The report of the consultant a while praising the expert knowledge of Mr. Prasad, on many technical aspects of office administration pointed out his incapabilities especially in dealing with people.

Surprisingly, Mr. Prasad enjoyed much popularity of the senior executive of the company. He own their esteem for his valuable services as a manager. They there very much worried over the incapabilities of Mr. Prasad in dealing with people. They were helpless.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Questions :

1. What is the possible real cause of this problem ?
2. What call be done now to rectify the situation considering Mr. Prasad's value to the company ?
3. The Personnel Manager suggests that Mr. Prasad be sent on a behavioural science course. The managing director feels that Mr. Prasad is too old at fifty-two for such a course. What would you suggest ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
Mr. HARI PRASAD : THE ADMINISTRATIVE MANAGER

I. & II. BACKGROUND AND ANALYSIS :

Mr. Hari Prasad had been working in the X.Y.Z. company for over 10 years. His record as Secretary and as Chief Accountant during that period was excellent. Therefore, in elevating Mr. Prasad to the post of administrative manager the company does not committed any error. As the post was newly created the company thought fit and rightly so that Mr. Prasad was the most suitable candidate.

But as a consequence of this change, output of work in the office dropped and workers morale became low. Staff turnover reached alarming proportions.

The appointment of a consultant to study and report on the situation, is a step in the right direction. The managing director's action is quite justifiable. The consultants report while praising the expert knowledge of air. Prasad in regard to technical aspect of office administration, pointed out at the same time, the incapabilities of Mr. Prasad especially in dealing with people. This only shows the poor-insight of Air, Prasad in regard to human psychology. Even though Mr. Prasad enjoyed the confidence and won the esteem of the senior executives, he neglected the art of dealing with his staff. Consequently, this incapability of Mr. Prasad kept the senior executive worrying. They became helpless spectators.

But instead of worrying it would have been much better on the part of the senior executives had they cared to impress upon Mr. Prasad the necessity of effective communication and open hearted dialogue with the staff for the promotion of under-standing in a spirit of co-operation.

III. ANSWERS TO QUESTIONS

1. The real cause for the present situation could be traced to some personal difficulty of Mr. Prasad either as a result of his deteriorating health or on account of some domestic problems. It seems strange as to how a person once very successful could become the subject of unpopularity and disagreeability. From the Psychological point of view, perhaps Mr. Prasad must have been suffering from some mental condition of depression or from some complex. Whatever it may be, it is never late to remedy the situation. This can be done by the carrying out direct personal interviews by the Senior Executives. This procedure would go a long way in tracing out the actual problem.

2. There is no doubt that the services of Mr. Prasad are invaluable. But this does not suggest indispensability of his services in relation to his subordinate. If he was very successful in his probability it might have been due to less number of subordinates who might have understood his approach much better.

The present difficulty may perhaps be due to a much larger number of staff and due to lack of proper communication. Thus, the remedy could be found ineffectively tackling the problem of communication.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 16

OLD FASHIONED MANAGEMENT

A public limited company, a sister concern of a group of companies, was continuously running either at a loss or making very low profits because of its old fashioned way of working in spite of the best available machinery and technical talent, finance and trained labour. After some time the directorship was taken over by his son, but the Company was still not prospering as it ought to have done.

The main factor in this organisation was that the company as run in a more dictatorial way than by taking its managerial staff, senior officers, etc. into confidence, with the result that though everything that was required for food economic results was at the disposal to the Management, the Company was going down day by day.

This resulted in a sort of fear complex amongst the senior members and their because 'yes men' of the top management thus killing their own initiative, talent and enthusiasm. They only adhered to one motive, i. e. how to keep their job by hook or by crook.

The company's new director was at a loss to understand the problem. He could not locate where corrective action needed.

To make the desired profit, the new director decided to take advice from some people around him. They went into the details of the working of the company. They interviewed every top officer. Here they found that the answers given by senior members of the staff were not frank and outspoken. The same fear complex was apparent in their talk.

So to achieve the goal it was resolved by the advisers of the new director that these officers should be given a free hand to stork with necessary facilities and power including their personal grievances. The emphasis was on making a solid and confident frame of managerial staff who in turn would deliver the goods.

The new director very reluctantly agreed to follow the advice and as an experiment introduced the advisers recommendations into one of the company's divisions.

The Divisional Manager was given all the necessary powers and all help and his recommendations were granted. The new director told the Divisional Manager that he wanted a profit at Rs. 15 lacs from this Division as the total expenditure in this division was about a crore of rupees.

When this responsibility came on the head of the Divisional Managers, he immediately summoned his colleagues and told them that they had a challenge and his colleagues immediately agreed to meet it.

Everybody started working immediately with zeal and enthusiasm. The feeling of disappointment and fear vanished. Production, and profit here the only aims. Everybody had freedom within set limits and the Division's production started going up. It did take a couple of years to make a profit of Rs. 15 lacs per fear but after that the Division started giving even more than what new director had desired.

The new director is now thinking of introducing the same system in other divisions as they are now completely satisfied with the working of the Division.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Some Issues

1. What is the basic difference between the earlier handling of the company of the father and the later handling by the son ?
2. What is the difference in terms of clarity of objectives and desire to realise results in spite of hurdles between the two Directors viz. father and son ?
3. To what can the son's success be attributed :
   (a) to taking advice from people around him ;
   (b) to removal of the fear complex of seniors members of the staff ;
   (c) to giving the staff a free hand with necessary facilities and pouter, including solving their personal grievances ;
   (d) to making a solid and confident frame of managerial staff ;
   (e) to giving clear objectives in terms of profits to the Divisional Manager ;
   (f) to the Divisional Manager calling his colleagues and taking them into confidence in a positive and constructive manager ;
   (g) to creation of freedom but with clearly set limitations ?
4. By comparing the second part of the case with the first part what are the most important factors for success :
   (a) best available machinery ;
   (b) technical talent ;
   (c) skilled labour ;
   (d) strong and forceful management ;
   (e) considerate management ;
   (f) result-oriented management ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
OLD FASHIONED MANAGEMENT

I. BACKGROUND

II. ANALYSIS

III. SUGGESTED ANSWER / POSSIBLE SOLUTION

1 – Answer :

There is the great difference between the handling of the company by the father and the later handling by the son. Both have acted as the Director of the company. In the case of the father his company was continuously running either at a loss or making very low profit due to orthodox methods of working in spite of the best available machinery and technical talent, finance and trained labour. The father used to run his company in a dictatorial way, who has not taken into confidence his managerial staff, senior officers etc. There was no participatory management practised. All this has resulted in a continuous loss or low profits to the company and there was a sort of fear complex amongst the senior members. Which killed their own initiative, talent and enthusiasm. There was only one motive to keep their job by hook or by crook.

But when the son, took over the Directorship, there was a great change in the company. The son has more faith in democratic methods of working. He has adopted modern methods of working. He took the advice from some people, around him. The son gave the staff a free hand with necessary facilities and power, including solving their personal grievances. He emphasised on making a solid and confident flank at managerial work. Thus, he tried to remove fear complex and everybody started working immediately with zeal and enthusiasm. The feeling of disappointment and fear vanished and the company made the profits more than the expectation of the son i.e. the new Director.

*The students should not forget to write background and analysis of the case.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

BASIC DIFFERENCE BETWEEN THE HANDLING OF THE COMPANY

BY THE FATHER	BY THE SON
1. Methods of working Orthodox methods of working.	Modern methods of working.
2. Dictatorial way The managerial staff, senior officers were not taken into confidence.	**Democratic way** The managerial staff, senior officers were taken into confidence.
3. Complex There was a fear complex.	The fear complex was removed.
4. Zeal and enthusiasm There was no zeal and enthusiasm amongst colleagues and workers.	There was zeal and enthusiasm amongst colleagues and workers.
5. Feelings There was feeling of disappointment.	The feeling of disappointment and fear vanished.
6. Aims There were no aims.	Production and profit were the only aims.
7. Freedom There was no freedom.	Everybody had afreedom within set limits.
8. Profits The company was continuously either at loss or making very low profits.	The company started making profits more than what the new director had desired.

2 - Answer

The difference in terms of clarity of objectives and desire to realise results in spite of hurdles between the two Directors viz. Father and son, can be stated as follows :

The father was not very careful regarding the methods of working. Due to fear complex amongst the senior members, there was no initiative, talent and enthusiasm. The objectives were not clear and there was no strong desire to realise results. Hence, the company was continuously running either at a loss or making very low profits.

But the son, as a new Director, seems very careful regarding the methods of working. He had more faith in modern and democratic way of working. He removed the fear complex and gave free hand to the officers to work with necessary facilities. He emphasised a solid and confident frame of managerial staff. His objectives were very clear and he had strong desire to realise results.

3 - Answer

The son's success be attributed to

(i) Giving the staff a free hand with necessary facilities and power, including

(ii) Solving their personnal grievances

(iii) Giving clear objectives in terms of profits

(iv) The emphasis was on making a solid and confident frame of managerial staff.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4 - Answer

By comparing the second part of the case with the first par the following are the most important factors for success :

(i) Technical talent

(ii) Skilled labour

(iii) Result oriented and considerate management.

In the second part of the case, the new director told the Divisional Manager that he wanted a profit of Rs. 15 lacs from his Divisional. So when this responsibility came on the head of the Divisional Manager, he immediately took necessary steps and after couple of years, the division started making the profits more than the expectation of the new director. This has not happened in the first part of the case as the result oriented and considerate management was not there.

ILLUSTRATION 17

STAFF PERFORMANCE AND AMBITIONS

A few years ago, I had an opportunity to interview a undergraduate stenographer, then employed as a P.A . to a Technical Director. His ambition was to become a Company Secretary in reputed organization. His salary expectation was around Rs. 1000/- p.m. at the age of 35 years.

I found during the discussion that –

(a) his financial position was averages

(b) he was staying with his married brother who had three children and only two rooms,

(c) he had a father and mother who were regularly sent financial assistance, and

(d) his work of typing and attending a Director was exhaust in him and at times unnerving him.

On the other side –

(a) he was very hard working,

(b) evening colleges had started then where he could resume his studies,

(c) his factory timings were such that he could take advantage of college facilities, and

(d) he had a senior officer who was not only enlightened but also encouraging.

Within two spears, he graduated with Economics and then did his Commerce degree course followed by a Law degree in another couple of years. He purposed specialised in general subjects like Economics, Accounts and Law, so that he could take up an administrative job and preferably secretarial work. He found that he did not have enough opportunities in the organisation which gave him all the facilities, enlightenment and encouragement to come up in life as a successful man. He reluctantly left the organisation and took up the post of an assistant in a pharmaceutical company where he is now a Manager.

Some Issues

1. How rare are such cases ? Do we find them ?
2. Has he clear goals ? If so, has he no obstacles ?
3. How does he react to his opportunities and difficulties ?
4. What is the ultimate secret of his success ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

POSSIBLE SOLUTION / SUGGESTED ANSWER
STAFF PERFORMANCE AND AMBITIONS

1. This is a case of an undergraduate stenographer. It is an ideal example of managing one's career. This case relates to a person, who is now a Manager in Pharmaceutical Company. However, a few years back being an undergraduate stenographer, he was working as a P.A. to Technical Director. He was ambitious and he wanted to become a company Secretary in a reputed organisation i.e. he is having determined mind, planned and result-oriented approach. His salary expectation was around Rs. 1000/- P.M. at the age of 35 years. He had to face with difficulties and adverse circumstances as under. His financial position though an average he had to send financial assistance regularly to his parents. He had to accommodate within two rooms of his married brother, who had three children. His typing work and the work of attending a Director was exhausting and at times unnerving him. To his good fortune, he could attend evening Colleges where he could resume his studies. He was hard-working and his factory timings were such, that he could take advantage of college facilities and his senior officer was not only enlightened but was also encouraging. Within two years he graduated with economics and then did his commerce degree course and took law degree also in another couple of years, so that he could take up an administrative job and preferably secretarial work but he could not succeed in achieving his goal and had to leave the job. Such cases are few.

2. He had clear goal of becoming a company secretary but he could not forecast the obstacles and under the bonafide impression that he would be prompted, he became double graduate and specialised himself in general subjects, like Economics, Accounts and Law but could not achieve his goal of becoming a company secretary. The obstacles which he had to face severe such that he did not have enough opportunities, in the organisation which gave him all the facilities, enlightenment and encouragement to come, up in life. Probably, the senior officers did not want that he should supersede them.

3. The P. A. to the Technical Director NV15 ambitious. To avoid quarrels and conflicts with his superior officers, he could find out another job as Assistant in the Pharmaceutical company and could succeed in becoming a Manager on his merits.

His reaction to opportunities and difficulties can be listed as under :

Opportunities	His Reaction
1. Evening college had started where he could have resume his studies.	He continued has college education.
2. His factory timing were suitable.	He could take advantage of college facilities.
3. He had a senior officer who was enlightened and encouraging.	He could get some relief for studies and examinations.

Difficulties	His Reaction
1. His financial position was average.	This has motivated him to expect more salary.
2. He was staying with his married brother who had three children and only two rooms.	He adjusted himself considering his better future.
3. His typing work and attending, Direct was exhausting and unnerving.	He maintained coordial relations with his superior.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4. The ultimate secret of his success must be attributed to his hard work, honesty, and sincerity and full faith in himself. He was very calculated young man. Though he could not secure the post of a secretary in his company he was courageous and could daring and succeed in securing the coveted post of Manager in the Pharmaceutical Company.

ILLUSTRATION 18

WORK STUDY

"In a particular factory, the Work Study Engineer from the factory showed excellent interest and promising competence at the end of the theoretical sessions. The management of the firm was also very progressive and the Work Study Engineer did not lack any support from the top management. His intelligent approach to several specific instances of work was also blessed by the workers approval."

"During the project work, however, he undertook the study of a department which was managed by a technician holding a position senior to him in the same company. Blinded by his successes in previous instances, the Work Study Engineer not only failed to consult the senior departmental manager but openly complained to the top management against this departmental head. Knowing the attitude of the Work Study Engineer, the departmental manager adopted an antagonistic attitude to Work Study and pointed out that further chances made the Work Study Engineer's ideas unnecessary. Their personal relations, ultimately proved to be the biggest handicap to successful application of Work Study."

Some Issues

1. Is the response of the Departmental Manager unexpected or unnatural ?
2. (a) Between the three parties, viz. Top Management, Work Study Engineer and Departmental Manager who could have had most effect on the issue ?
   (b) Whose responsibility is primarily to take care of this problem now ?
3. (a) What role has the top management's support to Work Study Engineer played in his attitude ?
   (b) How far the top management could have made his approach more result-oriented, rather than prestige-oriented and complaining one ?

POSSIBLE SOLUTION / SUGGESTED ANSWER

WORK STUDY

This case relates to the attitude of Work Study Engineer which in turn results on the handicap to successful application of work study.

1. **Answer :** The response of the Departmental Manager cannot be said to be unexpected or unnatural. It was expected and natural one. The Departmental Manager was very well aware with the attitude of the work study Engineer, who openly complained to the top management against departmental head. The work study Engineer should have consulted the Departmental head. Hence, the Departmental Manager adopted an antagonistic attitude to work study.

2. **Answer :**

(a) Between the three parties, viz. Top Management, Work Study Engineer and Departmental Manager, *the Work Study Engineer had most effect on the issue.* As it has been pointed out earlier in the description that the management of the firm was

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

very progressive and the Work Study Engineer did not lack any support from the top management, his intelligent approach was blessed by the approval of the workers. He never failed to consult the Senior Department Manager. All this indicates that the Work Study Engineer could have had most effect on the issue.

(b) **It is the responsibility of the top management to take care of this problem now.** The conflict between the Departmental Manager and to Work Study Engineer can very well be settled only by the top management. Their personal relations have proved to be the biggest handicap to successful application of Work Study. The success of the management depends upon proper co-ordination and whole-hearted co-operation. Hence, the top management should take care of this problem now.

3. Answer :

(a) Since the factory showed excellent interest and promising competence at the end of the theoretical sessions from the Work Study Engineer, the top management has extended its co-operation to the Work Study Engineer he became autocrat. Due to his intelligent approaches to several problems of work, there was objection from the workers side. The Work Study Engineer was very bold in his approach. Hence, in this case the management may form adverse opinion about the Departmental Manager who has adopted an antagonistic attitude to work study.

(b) The top management is the policy framing and decision making authority in any industry. The success of management depends upon proper planning, co-ordination, directing and controlling. The Management must take into confidence all the persons in the management. It should never give undue importance to any person. After all success in the industry never depends upon only one person. It is a group activity. Hence, no person should be either praised unnecessarily or blamed without any reason. To this case no doubt; that the management as well as workers have got more faith in the Work Study Engineer. But the management should take into confidence all persons. A small committee consisting of Work Study Engineer, the Departmental Manager, a technician supervisor and the representative of workers could have been appointed by the top management. This might have initiated the process of consultation and participation resulting in the changed attitude of the work study Engineer. They should not have tolerated the complaint of the Work Study Engineer about the Departmental Manager. In order to make result-oriented approach, the management must try to understand the difficulties of both the sides and it must try to solve their difficulties so that the biggest handicap to successful application to work study can be removed.

ILLUSTRATION 19

WHETHER OR NOT TO ENTER INTO COLLABORATION

An established company had to decide about entering into collaboration with a foreign company for a new manufacturing project.

On one side, thinking that there was no harm in approaching various foreign companies for the purpose in any case, the management approached a number of companies, and due to the reputation of the company, two of the most reputed companies of Europe agreed to enter into collaboration with it.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

On the other side, based on the same thinking, a half-hearted attempt was made to get Government's view on the proposed collaboration. As already there was one company in India manufacturing the same products, initial reaction of the Government was unfavourable.

The Managing Director was weighing the difficulties of getting Government's approval, the legal complications, and the royalty fees to be paid on one side, and certain advantages of collaboration on the other, and was vacillating between the two alternatives. He would sometimes say that we could implement the project with local talent without any foreign help, and at other times plead strongly for collaboration.

In this state of mind, he sent abroad and had discussions with prospective collaborators which were highly encouraging. But after coming back somehow the idea of collaboration was dropped, and he assigned some reasons for doing, to which his associates and subordinates did not find convincing at all.

Some Issues

1. Why did the Managing Director first think of collaboration :
   (a) profit ?
   (b) prestige ?
2. Why did he give it up abruptly :
   (i) Did he analyse and find no advantage in terms of
   (a) profits (b) prestige ?
   (ii) Did he intuitively feel his 'freedom' would be cut down by foreign experts who might have been decisive in their views ?
   (iii) Was vacillation or temperamental thinking his norm ?
3. Would his taking up the matter and dropping it apparently without rhyme or reason have an adverse effect on the morale and working of his staff ?
4. To what extent does this represent an average Indian decision-making situation at the policy level ?
5. Could his professional manager have analysed the situation and channeled thinking and feelings to a better purpose ? Why did he not do it ? Did he not have such a man or did the manager not enjoy his confidence to speak or was given no opportunity to contribute ?
6. What is the contribution of such a situation to the pace of economic development of the country as a whole ?

POSSIBLE SOLUTION / SUGGESTED ANSWER "PROBLEM OF COLLABORATION"

1. Answer :

This case indicates *pros and cons* of business policy. The Managing Director was weighing the merits and demerits over the policy issue whether or not to enter into collaboration. In an indecisive state of mind, he went abroad and had discussions with the prospective collaborator's which were highly encouraging. But after coming back the idea of collaboration was dropped. The main intention of the Managing Director behind entering into collaboration with a foreign company as prestige. It has been clearly stated in the case that due to the reputation of the company, two of the most reputed companies of Europe agreed to enter into collaboration with it.

2. Answer :

The Managing Director gave it up abruptly.

(i) The Managing Director might have analysed the problem and might have found no advantage in terms of profits. He might have found alternative solutions to make the best decision after a careful consideration.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

(ii) Intuition is one of the aids to decision-making. There are many persons who have exceptional intuitive power to come to the right decision. Intuition is a subjective factor. The Managing Director might have intuitively felt that his ' freedom ' would be cut down by foreign experts who are decisive in their views.

(iii) No doubt that in the beginning the Managing Director was not sure of his decision. But this cannot be regarded as temperamental thinking. Decision-making involves selection of alternative courses of actions. One has to be very careful while taking decisions.

3. Answer :

The case under study is an example of an established company. Due to the reputation of the company, even the most reputed companies of Europe agreed to enter into collaboration with it. Naturally, at least to some extent credit goes to Managing Director for efficient management of the company. He certainly was having some intentions behind collaboration with a foreign company for which he went abroad and had discussions with prospective collaborators. But, later on, the idea of collaboration was dropped. Of course, the Managing Director Light have found the idea of foreign collaboration impracticable or unprofitable. This will certainly have an adverse effect on the morale and working of his staff. The management lacked firmness and rational approach. But it is better to clarify the matter to his associates and subordinates so that the adverse effects can be avoided or reduced.

4. Answer :

Decision-making is a point at which plans, policies and objectives are translated into concrete actions. It is a rational process which should be based upto systematic analysis of all facts. Decision-making is the most important stage at which the success of those in management is determined. Correct decision is the test which determines the profitability of any concern. The Managing Director has dropped the idea of foreign collaboration because he knows that there are many difficulties in India regarding such collaboration. This represents an average Indian decision-making situation at policy level.

1. **Difficulty in Government's approval :** It is difficult to get the approval of the Government.
2. **Legal complications :** There are many legal complications.
3. **Royalty fees :** Exhorbitant royalty fees are required to be paid to the prospective collaborators.
4. **Local talents :** There will be injustice with local talent. In addition to all the factors mentioned above, it must be stated that in India, though we believe in democratic management, but at the time of decisions, dictatorial was is adopted. Thus, at the policy level very rarely, subordinates are taken into confidence.

5. Answer :

His professional manager could have analysed the situation to a better purpose. He would have analysed the situation properly, *A Professional Manager has minute observation, objective analysis, sound judgement and rational thinking. The utilisation of these objectives makes the functions of the management more scientific and professional.

---

* A professional manager is one who specialises in the stork of planning, organising, leading, controlling the efforts of and others and does so through systematic use or classified knowledge, a common vocabulary and principles and who subscribes to the standards of practice and code of ethics established by recognised body.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by-IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

But in this case, this work was not entrusted to Professional Manager. From the description given in the case, it is clear that the Managing Director has not consulted his associates and subordinates before taking the final decision. Hence, it can be said that an opportunity to contribute was not given to manager. The Managing Director himself has taken the decision. The past experience is a guide by making decisions in the present.

6. Answer :

In this situation, the Managing Director has dropped the idea of foreign collaboration. This clearly indicated lack of proper development of management culture. From the view point of economic development of a company as a whole, there are dangers of foreign capital such as :

1. **Sphere of influence :** Even though foreign countries are offering aid to the backward countries the idea behind it is found to extend sphere of influence.
2. **Economic exploitation :** Foreign countries are investing their capital in such industries where they are getting sufficient profits. Naturally resources of the underdeveloped countries are exhausted.
3. **Danger of uncertainty :** There is danger of uncertainty also. At any time, this help can be withdrawn from foreign country.

Thus, it can be said that though in the preliminary stages foreign aid is indispensable for economic development of a country as a whole maximum efforts should be made to develop import substitution industries so that India can establish a self-reliant and self-sustaining economy.

ILLUSTRATION 20

THE PROCESS OF CONSULTATION AND DECISION

At one of the factories where the work study project as conducted the General Manager was a great believer in the principle of consultation at all levels. He first had a general discussion with the Project Team on the scope and application of Work Study. He then called a meeting of the Departmental Heads, the Engineers, the Sales Managers, the Cost Accountant and a few other senior supervisory staff to meet the project team. He explained to them the project work to be conducted at the factory, called on them to extend full co-operation to the team and invited them for suggestions on problems for study. He asked them to consult their respective line supervisors and workers' representatives. The Departmental Heads called a meeting of their line supervisors and workers' representatives to explain to them the importance of the Project Work and to invite suggestions for selecting problems for study. These problems were later discussed with the project team at a meeting presided over by the General Manager.

The problems for study were, thus, selected through discussion and consultation at all levels and had the general approval of all. Though a couple of days were spend in these consultations they there well rewarding. The team received the utmost co-operation from the supervisory staff as well as the workers. Everyone in the organization felt that he was a participant by himself in the Project."

"Two worker representatives were chosen from the respective departments to work with the team. They were given training and were associated in the collection of data and in discussion. These workers' representatives were very helpful in explaining the usefulness and implications of Work Study to the workers and also in the smooth implementation of the recommendations."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Some Issues

1. Consultation succeeded in this case. Is it always the case ? If not, why not ?
2. How much time is spent in consultation in relation to time often required later in :
   (a) differences of opinions ;
   (b) hurt feelings;
   (c) lack of co-ordination;
   (d) misunderstandings;
   (e) direct or indirect resistance ?
3. How far has consultation helped ;
   (i) in bringing to bear special experience on different individuals and groups on the project;
   (ii) to integrate and contain diverse view-points;
   (iii) to involve the people;
   (iv) to get acceptance;
   (v) help speedier implementation ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
THE PROCESS OF CONSULTATION AND DECISION

1. Answer :

This case is an example of good decision-making through successful consultation. It is true that consultation has succeeded in this case, but it is not always the case. Consultation includes ideas, views, opinion and suggestions of various persons at different levels, e.g. Departmental Heads, Engineers, the Sales Manager, the Cost Accountant Senior Supervisory staff etc. It requires whole hearted co-operation and there must be a sense of participation. The consultation should also be practicable and there must be mutual understanding. There should not be differences of opinion. There should be proper co-ordination and there should not be direct or indirect resistance. Then only the consultation will succeed. All the conditions mentioned above were there in the case under study, hence the consultation has succeeded in this case.

2. Answer :

More time is required to be spent in consultation in relation to time often required later in differences of opinions and lack of co-ordination.

In the case under study, it can be noted that the General Manager had a general discussion with the Project team. Then he called a meeting of Departmental Heads, Engineers, Sales Managers etc. He requested them to extend whole hearted co-operation. The Departmental Heads called a meeting of the line supervisors and the representatives of the workers and later on the problems were discussed with the Project team. Thus, more time is required to be spent in consultation and proper co-ordination is required to be made.

(a) Differences of opinions : In the case under study, the consultation at all levels had the general approval of all. Hence, the question of differences of opinions does not exist.

(b) Hurt feelings : In this case the team received the utmost co-operation from the supervisory staff as well as the workers. Every one in the organisation felt that he was a participant by himself in the project. There was no incidence of 'Hurt feelings.'

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(c) Lack of co-ordination : Co-ordination is absolutely necessary in consultation. In the case under study, there was no problem of co-ordination. There was proper co-ordination at all levels.

(d) Misunderstandings : Clear understanding is one of the essentials of consultation. Misunderstanding creates problems. There were no misunderstandings in this case.

(e) Direct or indirect resistance : This possibility cannot be avoided in the case of consultation. But there was no direct or indirect resistance in this case.

3. Answer :

(i) Special Experience : The consultation has helped in bringing to bear special experience on different individuals and groups on the project. The respective line supervisors and workers representatives were consulted, i.e. suggestions were invited from them. The problems were also discussed with the project team. The whole-hearted co-operation was extended to the Project Team and everyone in the organisation felt that he was a participant by himself in the project.

(ii) Integration : The consultation has helped in integration and contain diverse view points. The data collection work was entrusted to, two representatives of workers and they were very helpful in the smooth implementation of the recommendations.

(iii) Involvement of people : The consultation has helped involving the people. The consultation was done at all levels. The consultation has involved the General Manager, Departmental Heads, the Engineers, the Sales Manager, Cost Accountant, Line Supervisors and representatives of workers.

(iv) Getting Acceptance : The consultation has helped in getting acceptance of all. There was no objection from Departmental Heads, Senior Supervisory Staff or representatives of workers. The Project Team received the utmost co-operation from all.

(v) Implementation : The consultation has helped speedier implementation. The Project Team selected two representatives of workers from the respective departments. The training was imparted to them and they were associated in the data collection and discussion. The representatives of workers extended their whole-hearted co-operation for the smooth implementation of the recommendations.

ILLUSTRATION 21

ILLITERATE WORKERS

In a certain public company, a group from a consulting organisation aided to solve of the company's staff were trying to determine the productivity of one of the company's departments.

The department was composed of six similar machines producing an identical product. It had around 20 workers almost all illiterate, and was supervised by an illiterate supervisor.

The consulting group needed accurate figures showing how many good units and rejects were produced by each machine.

The consulting group first devised forms to be attached to each machine in which was recorded the daily output of those machines.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

The supervisor rejected this method on the basis that his workers were illiterate and incapable of filling the said forms.

The consulting group then asked the help of the quality control people in filling those forms. To begin with, they agreed to help, but later started to complain that it was too much of an effort to do it. Throughout, the consulting group were aware that information collected was not accurate.

At a later stage the consulting group devised means whereby the illiterate workers could record good and reject units on a black board attached to each machine. The recording method was simply by jotting a line in the area framed by green for a good unit, and in the area framed by red for a reject unit. Still, however, the consulting group was aware that the information collected was completely inaccurate.

Some Issues

1. Why did the consulting group fail :
   (i) want of knowledge and know-how for evolving new method.
   (ii) lack of understanding different groups (workers, supervisors, quality control people) and get their acceptance.
2. Why do the three company groups not go along with consulting group ?
   (i) dislike for people ;
   (ii) fear of loss of status or security (financial or psychological) if consultants succeed.
3. Why do workers record wrong information ?
   (i) harm the company,
   (ii) harm the management,
   (iii) safeguard their own interest.

POSSIBLE SOLUTION / SUGGESTED ANSWER
ILLITERATE WORKERS

Answer 1 :

This case is related tothe prouctivity study of the consultants in one department of a certain public company. The consulting group was trying to determine the productivity of one of the departments of the public company and was aided by some of the company's staff also. It wanted accurate figures showing how many good units and rejects were produced by each machine in the concerned department which was composed of six similar machines producing an identical product. It had 20 workers but they were almost all illiterate and their supervisor was also illiterate. This is an important point to note. Though the consulting group first desired forms to be attached to each machine in which was recorded the daily output of these machines the supervisor rejected this method on the ground that his workers were illiterate and incapable of filling the said forms. The quality control people whose help was sought for in filling these forms agreed to help in the beginning but later on complained that it was a laborious task which would not give fruitful results. The third attempt of the consulting group by devising means whereby the illiterate workers could record good and reject units on a blackboard attached to each machine also failed in as much as the information collected by jotting a line in the area framed green for a good unit and in the area framed by red for a rejected unit was completely inaccurate and the consulting group was aware of the fact. **The failure of the consulting group may, therefore, be attributed to want of knowledge and know-how for evolving new methods.**

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Answer 2 :

The three company groups (i.e. (i) workers, (ii) supervisor, (iii) quality control people) do not go long with consulting group because the work entrusted to the consulting group is to determine the productivity of the company's departments and if the consulting group succeeds in securing the correct information about productivity, they fear of loss of status or security financial or psychological.This was basically due to illiteracy of supervisor and workers.

Answer 3 :

The workers fear that if the exact production is known and if it is less than the minimum expected it may result in their retrenchment or other problems related there to. Therefore, in order to safeguard their own interest they record wrong information.

ILLUSTRATION 22

DELEGATION

A person well-known among high Government circles, business circles as well as professional management circle was invited to wind up a group discussion on delegation. He observed somewhat as follows:

'You know, delegation is a funny thing. I have two top executives and I have delegated most of my work to them. I have told them not to come to me. But they still come every now and then, and tell me, 'Sir, here is a matter on which I have done everything but I would still like you to give it a once over (have a look at it). Now there it is !'

"The audience consisted of high level executives and consultants of a metropolitan city. They all laughed, and the meeting was over."

Some Issues

1. Why do the top executives to whom he has delegated and in whom the delegating authority has faith, keep coming to him ?
   - (i) they are not quite sure of themselves,
   - (ii) they feel need to safeguard themselves in case anything goes wrong:
   - (iii) they have a feeling that this would please the delegating authority, even subtly and unconsciously, inspire of his protests to the contrary.
2. Which of the above alternatives of the behaviour of delegating authority indicates as more likely ?
3. How often such subtle causes work under formal management failures in the field of delegation, co-ordination or otherwise ?

POSSIBLE SOLUTION / SUGGESTED ANSWER

DELEGATION

This case is regarding practical aspect of delegation.

Ans 1 and 2 : In this cases the delegator has expressed his headache in delegation. He is a person well-known among high Government Circles, business Circles and also professional management circle and was invited to wind up a group discussion on delegation. He told the audience which consisted of high level executives and consultants of a metropolitan city that though he has delegated most of his work to them with clear instructions not to come to him in respect of the work delegated, they still come to him every now and then with a request to have a look at the matter on which they have done everything.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

As a matter of fact when one man's job proves beyond his personal capacity he delegates his work to others. In doing this he naturally expects that each sub-ordinate will do the job himself, as he himself would have done, and wants freedom to concentrate on the higher functions of management. In this case, however, the top executives to whom he has delegated and in whom the delegating authority has faith, keep coming to him probably because they are overcautious and feel need to safeguard themselves in case anything gets wrong. It is obvious, that they are reluctant to shoulder the whole responsibility of the matter and unnecessarily bother the delegates off and on.

Ans. 2 : Alternatives (i) and (ii) seem to be possible. As there is complete clarity of delegation.

Ans. 3 : If an executive has a conservative and overcautious approach to problems, he may not be willing to take any risk. There is a fear that subordinates will take over and the superior or boss will not have useful function to perform which tendency indicates that the superior has lost interest in accepting additional responsibilities from the top. Unfruitful delegation generally causes formal management failures. The lack of delegation results in vague authroity relationships which inturn lead to organisational frictions, unwanted meetings and negotiations, jealousy and other disadvantages. The nature of business today is so complex that any superior who gets more time can develop useful functions in the interest of the company and that the conservative attitude and over-cautious temperament on the part of executives, causes work under formal management failures in the field of delegation and co-ordination.

ILLUSTRATION 23

PLAN FOR EXPANSION

Mr. Swamy is the Chief Design Officer of the Iron Ore Manufacturing Co. The Company was embarking on a new plan for expansion of its products in the Fourth Five Year Plan and it was decided to get all the modern type of machine units for this plant. Accordingly Mr. Swamy prepared a layout for new plant. The Management thought that the Industrial Engineering Department as well as the experienced personnel from the construction and operations side should be consulted as this was

(a) a new type of plant with modern machinery,

(b) its capacity would be thrice that of the existing unit,

(c) ultimately the installation and operation would be the latter's responsibility.

A committee was, therefore, formed and invitations were issued to various members on behalf of the Chief Design Officer.

2. Discussions revealed that the design officer had not fully considered the implications of the new type of machinery and its higher capacities but has used the old rule-of-the-thumb methods which made the layout cumbersome. It was also felt that unless certain changes were made, the present layout would create bottlenecks which would come in the way of achieving the rated capacity of the new plant. The committee discussed each item and suggested certain modifications which drastically changed the layout first prepared.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

3. Though the Design Officer had invited others to give suggestions, he did not like the committee's decision in almost rejecting his layout. He thought that he was doing this job for years and felt that his prestige was at stake if he accepted the changes which had been suggested by the committee.

4. At a later stage in the discussions, he refused to take any part and was hesitant to give any information which was called for by the committee members to check on the capacities of the various machinery units as they wanted to know the assumptions he had made and to test their validity and reliability. He tried to subdue their attempts of changes in his layout by saying that these changes would make the cost of the product go up; on enquiry by the committee members he could not give the extent of rise in cost on account of these modifications.

5. This attitude of the Chief Design Officer created a state of disharmony even though the committee was started with good intentions of pooling together the experience and knowledge of the various types of people. This resulted in delays in finalising the project layout.

Some Issues

1. How common is this phenomenon in India and elsewhere ?
2. If this did not relate to Design function but to some other staff functions (e.g. Work Study, Personnel, Quality Control, etc.) would similar situations arise ?
3. Why was committee formed after Mr. Swamy prepared the layout and not before ? (Refer also to item A below).
4. Was the attitude of the committee constructive ? Could be the basic causes of its attitude to the layout ?
5. What contribution has each member of the committee (Mr. Swamy and other) made towards malting the better layout effective for the organisation ?
6. What was the objective of Mr. Swamy and the committee members :
   (a) better layout ?
   (b) to appear more efficient or loyal ?
7. During all this time, what is the Top Management doing ? Why is their voice not felt during these developments could it be due to:
   (a) Record for Democracy ?
   (b) Lack of Goal-Mindedness ?
   (c) Indifference ?
   (d) Incompetence ?
   (e) Any other factors ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
PLAN FOR EXPANSION

1. Answer :

This phenomenon is common in India. Mechanisation is very common to highly developed countries. They think that the cost of installation is initially high, but it is economical in the long run as volume of transaction is high. It is the experience of our country that experienced persons are reluctant to change, whereas in the case of advanced countries they welcome changes. They are not very much worried about retrenchment. They believe that if proper training is given to present employees they can also become experts.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

2. Answer :

If this does not relate to Design function, but to some other staff functions (e.g. Work Study, Personnel, Quality control, etc.) the possibility of similar situations cannot be avoided. However, it entirely depends upon the type of company, the authorities given to superior, the management and the above all psychology of the superior.

3. Answer :

In the beginning Mr. Swamy prepared the layout, for the new plant because the company was embarking on a new plan for expansion of its products in the Fourth Five Year Plan and it was decided to get all the modern type of machine units for this plant. The Management appointed a committee after Mr. Swamy prepared the layout for the plan and not before, because in the beginning, management did not realised the complications.

Later on, the management thought that the Industrial Engineer Department as well as the experienced personnel from the construction and operations side should be consulted.

1. **New type of plant** : As this was a new type of plant with modern machinery.

2. **Tremendous capacity** : The capacity of the new plant would be thrice that of the existing unit.

3. **Responsibility** : Ultimately, the installation and operation would be the latter's responsibility.

Hence, the committee was formed. Before entrusting this work to Mr. Swamy, these problems were not these.

Answers 4 and 5 :

The attitude of the committee can be regarded as constructive. The main intention behind forming committee was to prepare a good layout for the new plant for which the capacity, modern machinery, its operation and installation. These factors are required to be taken into consideration. The committee has certainly made a significant contribution in making the better layout which is effective for the organisation. The committee was consisted of the Industrial Engineering Department and the experienced personnel from the construction and operations side.

The committee arrived at the conclusion that the design officer had not fully considered the implications of the new type of machining and its higher capacities, but has used the orthodox rule of the thumb methods which made the layout cumbersome. The committee also felt that unless certain changes were made, the present layout should create difficulties which may become an obstacle in achieving the rated capacity of the new plant. Each and every item was discussed by the commitee and finally certain modifications were suggested by the Committee. Thus, the drastic change was made by the Committee in the layout of the plant.

Answer 6 :

From the description of the case, it appears that Mr. Swamy and the committee members severe having different objectives. The Committee was appointed by the management. The committee was started with good intentions of pooling together the experience and knowledge of the various types of the people.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Mr. Swamy was the Chief Design Officer of that company. He prepared a layout for the new plant. Later on, a committee was appointed by the management which suggested certain modifications in the layout of the plant. Mr. Swamy did not like the decision of the committee. He refused to accept any part of the discussions and was hesitant to provide any information desired by the committee members to test the validity and reliability of the assumptions made by the Design Officer Mr. Swamy. Thus, he refused to accept changes. All this shows that the objective of Mr. Swamy was not better layout but he was just trying to appear **more** efficient. It must be remembered that for adopting modern technology, we must change **our old** habits and attitudes. The changes should be welcomed. Prejudice about anything is bad.

Answer 7 :

During all this time, the management was not having any plans for the expansion of the company and the management was using orthodox methods. It was not having any goal of achieving the rated capacity of the new plant.

The management was entirely dependent on the Chief Design Officer. The management has interferred only when the company was embarking on a new plan for expansion of its products in the Fourth Five Year Plan and when it was decided to get all the modern type of machine units for this plant. Hence, their voice was not felt during these developments.

ILLUSTRATION 24

EFFECTS OF NEPTOSIM

The Managing Director of an International Company having branches all over India, selected an Accountant of its Bombay branch to be groomed for a Branch Managers position. Accordingly, in February 1963, the necessary training programme was chalked out and the Accountant was put through it. It was also decided that on the home leave of the Bombay Branch for six months in December 1965, the Accountant should take over the charge of the Bombay Branch to enable the management to assess his abilities as such.

In January 1964, the Managing Director was transferred to the Head Office in the United Kingdom and his position was filled by one of the working Directors. The vacuum created was filled by upgrading a Senior Manager to the Director's position. The nephew of the new Director who was at the Head Office as Assistant Commercial Manager was transferred to Bombay as an Accountant in July 1955 and the Bombay Accountant was asked to proceed to Calcutta to work as an Accountant of the Calcutta Branch.

The question of his future arrangement was raised by him with management and the management took an adamant attitude of transferring him to the Head Office as per the order and bypassed the issue.

Some Issues :

1. Is this a very unusual situation in India ?
2. What could have the Managing Director done to prevent the impose ?
3. What could the working Director promoted to Managing Director have done ?
4. What can the Accountant do now ?
5. What is the interest of the organisation as a whole in terms of :
   (a) Morale, (b) Productivity, (c) Results ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION / SUGGESTED ANSWER
EFFECTS OF NEPOTISM

Answer 1 :

This situation is very unusual in India or not, before we reply to the question we must know the meaning of the term 'Nepotism' and Background of this case. Nepotism in its strict dictionary meaning is to great favour shown to relatives. In the present case, nepotism has been shown to the nephew of the company. This is not an unusual situation in India. The background of the case is as under :

An Accountant of its Bombay branch to be ground for a branch to be groomed for a branch Managers' position was selected by the Managing Director of an international company having its branches all over India. The necessary training programme was chalked out in February 1963 and the Accountant was put through it. It was also decided that on the home leave of the Bombay Branch for six months in December 1965, the Accountant should take over the charge of the Bombay branch to enable the management to assess his abilities as such. In January 1964, the Managing Director was transferred to the Head Office in the United Kingdom and his position was taken over by one of the working Directors. This vacant post of the Director was filled in by upgrading a Senior Manager. The nephew of the new Director who was at the Head Office as Assistant Commercial Manager was transferred to Bombay as an Accountant in July 1965 and the Bombay Accountant was asked to proceed to Calcutta to work as an Accountant of the Calcutta Branch. Here nepotism was allowed to creep in. On questioning about future arrangement, the Management took an adamant view of transferring the accountant to the Head Office presumably in U. K and got rid of the problem. Thus, an injustice was done to the Accountant under training, for showing nepotism to the nephew of the Working Director. This is not the unusual situation in India. In number of public or private sectors, we find that nepotism is given top priority at the cost of well qualified and trained persons.

Case Adopted from Cases in Management R.M., Shah (Page 16)

Answer 2 :

Instead of filling in the post by one of the Working Directors, the Managing Director under orders of transfer could have requested the Management to fill in the post by calling applications from the well qualified and experienced persons suitable to the post. The question of appointment of a Working Director to the Managing Director's post would not have arisen.

Answer 3 :

The Working Director promoted as Managing Director should have protested to the appointment of the nephew of the New Director as Accountant of the Bombay branch on the point of administration and the nephew of the new Director could have been appointed to another suitable post in any of the branches of the Company in India.

Answer 4 :

The Accountant can convince the new managing director as well as the one transferred to U.K. He can even pursue the matter through union and press for more rational promotion policy etc.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Answer 5 :

The interest of the organisation as a whole can be described as under :

(a) **Morale :** On this front, the organisation in this case does not stand. Morale is defined as the capacity of a group of people to pull together persistantly, and consistently in persuit of a common purpose. It may be described as readiness to co-operate warmly in the tasks and purpose of a given group or organisation. Morale is frequently assumed to be associated with higher performance, greater satisfaction, and increased production. A high morale usually results in high productivity. In other words, if the overall productivity is increasing, it is a symbol of high morale. High productivity goes with high morale when the workers are motivated and the supervision is of the right type.

(b) **Productivity :** Whether the situation is going to result in increased productivity is a problem.

(c) **Results :** Only time will speak on this issue. The interest was carried away by the newly upgraded senior manager's favouritism to his nephew.

ILLUSTRATION 25

AUTHORITY AND RESPONSIBILITY

A subsidiary company of a large industrial group was not doing well. And everybody, including Directors of the subsidiary as well as the parent company, was dissatisfied, but there was considerable amount of fault-finding and in "post-mortem" discussion, rather than constructive decision-making.

The Directors of the subsidiary company took some outside advice and the working of the company was analysed. It was found that the responsibility for a substantial part of areas of dissatisfaction was primarily with the parent company and its management and the quality of decision-making at the policy level of the subsidiary also was poor. In general, this diagnosis was found to be true for the working of the parent company itself and was reflected in the image of the company and the management before the shareholders, the Government and the public circle in general. The chairman of the subsidiary company was pleased with the diagnosis and took up the matter with the parent company.

However, the discussions at the policy level of the parent company did not bear fruit, and the issue was "settled" merely by a general indication that the subsidiary company, if necessary, may be disposed off or handed over to another group for running. This put the subsidiary Board and Management or the defensive. The chairman resumed his original fault finding habit with executive Director, the Manager, etc. and which in turn caused a considerable amount of frustration and setback to progress and enthusiasms generated by analysis of the responsibilities and the remedial measures evolved, which were largely agreed upon before taking up matters with the parent company.

Some Issues :

1. How it is that the subsidiary Board was not aware where the responsibility for improper working lay ?
2. If decisions were largely with the parent body, why was there a separate Board for the subsidiary ?
3. Why did the parent body not respond to the subsidiary's constructive approach ? Could it be that the subsidiary authorities approached the parent body without proper formal and informal preparations ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

4. Why did the Chairman start blaming others and resort to postmortems ? Could it be an go reaction as he could not admit that his suggestions were lot acceptable to the parent company ?
5. Would it have been better if he had said frankly that they were not able to take the parent body with them and therefore the management of the subsidiary should consider what could be done within the scope available to them ? Why was such an approach not taken ?
6. Does this look like a real happening ? If not, and since in fact it is, what does it signify in terms of our business and industrial institutions ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
AUTHORITY AND RESPONSIBILITY

Answer 1 :

This case shows the fact that the responsibility should be followed by an authority, failing of which both authority as well as responsibility may suffer. The subsidiary company was not functioning properly. Instead of finding out the root cause for improper working everybody including the Board of Directors of subsidiary company adopted the policy of faultfinding and postmortem discussions rather than constructive decision-making. Decision has been defined as "an act of choice wherein the executive reaches conclusion about what must not be done in a given situation". It is a point at which plans, policies, and objectives are translated into concrete actions. Decision must help people in achieving their objectives, assisting them in their work with a greater sense of achievement. The constructive decision-making implies that after having defined the problem, analysed the problem and having developed and evaluated alternative solutions, the alternative has been selected to determine the best possible solution. Due to its policy of fault finding and mere postmortem discussions, served no useful purpose and hence, want to important factor namely constructive decision-making did not make the Board aware where the responsibility for improper working lay as the quality of decisionmaking at policy level of the subsidiary was poor.

Answer 2 :

Though the decisions were largely with the parent body, there was a separate Board for the subsidiary company, obviously because the Board was expected to make concrete proposals of effective production to the parent company and to implement their decision. It is like delegation of authority by parent company to its subsidiary.

Answer 3 :

The parent body or company, it appears did not like the subsidiary company's approach with the diagnosis from outside wherein the parent company was blamed and the responsibility of improper working and poor quality of decision-making was thrown on it and hence, on approaching the parent company the discussing at the policy level did not bear fruit and issue seems settled merely by a general indication that the subsidiary company if necessary may be disposed off or handed over to another group for running. It is like delegation of authority by parent company to its subsidiary.

Answer 4 :

The Chairman of the Board of subsidiary company failed to convince the parent company that the parent company was primarily responsible for improper working of the subsidiary company and its decision to wind up the business of the company if necessary and disposed it off annoyed him and he started blaming others and resorted to post mortem discussions which badly affected the progress of the subsidiary company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Answer 5 :

It would have been better if he had frankly told the management that the subsidiary company did not accept the diagnosis and that instead of paralysing the existence of the subsidiary company the management should consider and make concrete suggestions as to what should be done in float critical situation. An independent approach on the part of subsidiary was not expected for the time being as the subsidiary company was itself not prepared either formally or informally. This shall have reflection on the relationships between the board of the parent company and the board of subsidiary company.

Answer 6 :

Such happenings appear to be real and are not rare in Indian business environment. They signify in terms of our business and industrial institutions that without control and effective decision-making policy of the management there is frustration and set back to progress. It also indicates the need to nurture management culture in our industrial organisations.

ILLUSTRATION 26

DEALING WITH A STRIKE

There was a serious strike in a big-scale Engineering Industry. The nature of industry was such that the major strength of workers was coolies. The Mukadam of labours was coming every day on duty but he was not allowing the workers to come to work. He was a leader in disguise.

The General Manager of the industry was having serious problem because the workers had a very strong union. After serious thought and consultation with his colleagues and subordinates, the G.M. devised a method by which he could attempt calling off the strike.

He called the Mukadam and told him that it was an opportunity when all the relations and friends of the Mukadam could be employed because the management had decided to take fresh labour. The Mukadam fell for the bait and next day there were 50 relations of the Mukadam working in the factory. This created the desired effect on other workers on strike and they also started coming to work in a few days.

Now the newly employed workers who were related to the Mukadam started bragging about their relationship to the Mukadam and they were not doing any work. This was an opportunity the G.M. took to prove inefficiency of the Mukadam, thereby terminating his services. Thus the strike was completely called off and the main person responsible for the strike, i.e., the Mukadam, was also got rid of.

Some Issues

1. Is the General Manager :
   (a) result-minded ?
   (b) ethics minded ?
2. Are his objectives to get results for the company only or also to show his own smartness ?
3. If he was Result-minded with respect for the ethical code of conduct, what course could he have adopted for handling problems of :
   (a) Dishonest and inefficient Mukadam,
   (b) Morale and strike of the workers,
   (c) Strong and antagonistic Union,
   (d) Relatives of the Mukadam after they were taken in ?

* This case has been solved again with reference to the different questions asked in the case.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4. The steps were taken by G.M. in consultation with his colleagues and subordinates. What is the significance of acquiescence of all of them in such dubious means ?
5. Could the nature of tactics usually employed have themselves been the cause of :
   (a) A strong and antagonistic Union
   (b) Disgruntled workers ;
   (c) Major stike :
   (d) A dishonest and inefficient Mukadam ?
6. If so, what have the Management attained except removing the effects of their own creation ?
7. What is the chance of the industry prospering progressively and rapidly as compared to other units ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
DEALING WITH A STRIKE

1. The General Manager of the industry was result-minded with respect for the ethical code of conduct.
2. The objectives of the General Manager was not to show his own smartness but to get the results for the company.
3. If he was result-minded with respect for the ethical code of conduct, the following course could he have adopted for bandying problems of :
   (a) **Dishonest and inefficient Mukadam** – Prooving his efficiency.
   (b) **Morale and strike of the workers** – Serious thought and proper thinking.
   (c) **Strong and antagonistic Union** – Serious thought and consultation with colleagues and subordinates.
   (d) **Relatives of the Mukadam after they were taken in.** – devising a method/preparing a concrete plan.
4. A decision is a point at which plans, policies and objectives are translated into concrete actions. The moment of decision as undoubtedly, the most creative event in the life of an executive. The steps were taken by General Manager in consultation with his colleagues and subordinates the significance of acquiescence of all of them in such dubious means is that the industry was a serious problem because the workers had a very strong union and at any cost he wanted to deal with that strike. He was not finding an opportunity to prove inefficiency of the Mukadam. So in order to devise a plan by which he could call off the strike, he consulted all. In the case of wrong decision, he alone would not have been responsible.
5. The nature of tactics usually employed have themselves been the cause of a dishonest and inefficient Mukadam.
6. No industry is free from certain evil elements. When the profit is the main aim of the industry, dishonest practices are bound to take place. The problems are carefully required to be solved by the industry. In this case when the Mukadam found that there was an opportunity for his relatives and friends could be employed, he fell for the bait and next day his 50 relatives got the job in the industry. This created the desired result on other workers on strike and they also started coming to work. When due to non-cooperative attitude of workers, the inefficiency of the Mukadam was proved and his services were also terminated. Thus, the strike was completely called off.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

7. Bold decisions of the management are many times appreciated. An industry having the result-minded attitude with respect for the ethical code of conduct, has certainly better chances for prospering progressively and rapidly as compared to other units.

ILLUSTRATION 27

HOW MUCH SHOULD A COMPANY EXPAND ?

Sunil was born in a well-to-do middle-class family. He took good academic education in the U. K. and returned to India.

Sunil developed a product in a small shed and marketed it locally on a small scale when he was still in service. When the profit from the same sale of his product was nearly equal to his salary, he quit his job and went wholly into a business on his own.

Initially he had a lot of difficulties. He blamed these on his past employers because he thought they were out to make life difficult for him. Later his business improved a little. But he then had to face difficulties in raw materials. He was straight forward and did not believe in bribing officials to get import licences. He bought his materials from the open market at high rates. This reduced his profits. He then applied for import licences and got them after some effort. His business and profits improved. Throughout these years, he managed the show entirely by himself. He was under the impression that nobody else knew his company's business as well as he. He was very sceptical about taking advice from others.

His firm is now doing reasonably well. But his close circle of friends and relatives think that his business could have been much bigger and more profitable had he the initiative and foresight to expand and take outside help whenever necessary. Other people who went into business at about the same time have grown much bigger than him. When this subject comes up for discussion at any time, Sunil's standard answer is that he is not out to amass money. He wants sufficient profits to provide for his family which he has done. If his ambition was to amass wealth, he says he could have easily done that.

Some Issues :

1. Why does he blame his past employers for initial difficulties ?
2. What is the significance of his refusal to
   (a) do underhand dealings ? and also
   (b) to take any idea from anyone else ?
3. What is his goal :
   (a) honesty ?
   (b) profit ?
   (c) profit and honesty ?
   (d) honest ego satisfaction ?
4. Is his behaviour objective based upon principles, or compulsion relationalized on grounds of honesty and not wanting wealth ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
HOW MUCH SHOULD A COMPANY EXPAND ?

1. Sunil blamed his past employers for initial difficulties because he thought that they were out to make life difficult for him.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

2. (a and b) Sunil was straight forward in his dealings and he did not believe in bribing officials to get import licence. At very high rates he bought his materials from the open market, which resulted in reducing his profits. He then applied for import licences and got them after some effort. His business and profits improved.
3. Sunil was very sceptical about taking advice from others and he was under the impression that nobody else knew his company's business as well as he.
   His goal was honest ego satisfaction. If his ambition was to amass wealth he could have easily done that. He was very straight forward in his dealings
4. His behaviour objective is certainly based upon certain principles. Certain events shows that he was a man of principles. He had to face difficulties in getting raw materials. He was straight forward and did not believe in bribing officials to get his work done. He got import licence on his own efforts. He managed everything on his own. He could have expanded his business. Although he had initiative and foresight to expand and he could have got outside help but the scope of his business was limited. All this shows that his behaviour objective was based upon principles.

ILLUSTRATION 28

OPPORTUNITIES AND DIFFICULTIES

Krishnan was a matriculate stenographer. But he had developed his shorthand and neatness in typing to an exceptional degree. He was also able to take care of his boss (viz. Managing Director) to whom he was a P.A., by bringing up matters in time and following up work fast with minimum possible instructions.

To do his job better even as a P.A., with the moral backing of the management he enrolled for a correspondence course in technology and successfully completed it. This helped him to do much of the work of other executives by himself and also improve liaison between Departments and Managing Director, in his role as P.A.

Considering his ability and zeal, the Managing Director, at much inconvenience to himself, decided to promote him as a junior executive in the Sales Department. After some difficulties and adjustments of independent work, he seemed to get set in the new job.

However, he felt that while his work was appreciated he was not making headway as he expected. He consequently started looking outside. He was recommended by one or two people but his lack of basic qualifications came in his way. By this time Krishnan realised that he had a better chance in his company where he was already familiar with the organization and individual members the product and all its strong and weak points.

But still the problem in this organization remained that he was not very much encouraged. He, therefore stopped taking as much interest as be used to. After some time he realized that in this way his own knowledge and attitude would change for the worse. He therefore decided to carry on his work with the old sincerity for its own sake irrespective of whether it was regarded and appreciated or not.

After four years of his being initially promoted as a junior executive, he has now been promoted as a Departmental Head. He feels he has been given a grade lower than he deserved, but is happy that on the whole he has made a good headway.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Some Issues

1. How rare are such cases ? But do we find them ?
2. Has he clear goals ? If so, has he no obstacles ?
3. How does he react to his opportunities and difficulties ?
4. That is the ultimate secret of his success ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
OPPORTUNITIES AND DIFFICULTIES

1. Such cases are not rare. We often find such cases, if an employee works with his all abilities, capabilities and with zeal and enthusiasm if he takes interest in his work i.e. the work entrusted to him, he has definitely better chances of promotion. Hard work always pays in the long run. One should carry on his work faithfully and sincerely.

2. Krishnan had clear goals. Although he was matriculate, he had developed his shorthand and neatness in typing to an exceptional degree. He used to perform the work fast with minimum possible instructions. He enrolled for a correspondence course in technology and successfully completed it, when he was promoted as a junior executive in the Sales Department. After some difficulties and adjustments of independent work he seemed to get set in the new job. For few days he had neglected his work but finally, he decided to carry on his work with sincerity for which he was promoted as a Departmental Head.

3. Krishnan reacted actively to his opportunities and he had faced his difficulties with confidence. When he was appointed as stenographer he used to take care of his boss. He used to perform the work quickly with minimum possible instructions. In his role as P.A. after successful completion of correspondence course in technology, helped him to do much of the work of other executives by himself and also improve liaison between Departments and Managing Director.

When he was promoted as junior executive in the Sales Department, after some difficulties and adjustments of independent work, he got well settled in the new job. When his expectation failed (he was not making headway as he expected) at that time also he decided to carry on his work with the old sincerity for its own sake. Naturally, after four years of his struggle he was promoted as a Departmental Head.

4. The ultimate secret of his success is his sincerity for its own sake irrespective of whether his work was regarded and appreciated or not. His attitude punctuality, accuracy, regularity, dependability, ability, zeal, confidence, enthusiasm, familarity with the organisation and individual members, the product and its thorough knowledge.

ILLUSTRATION 29

PROMISE AND PERFORMANCE

The head of a large engineering industry was very keen to raise production quickly because it involved a large investment which was not yielding adequate returns. After a lot of trial and error, when he got frustrated. he took the advice of some friends well-versed in such matters.

He accepted much of their advice but not about appointment of a Personnel Manager. Among his suggestions, there was also a recommendation about fixing grades for various people.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The entrepreneur had earlier indicated great keenness to give liberal grades, but when the actual time came, he gave grades which extended only a couple of years beyond the present salaries of senior people.

Also while grades were fixed up and letters were issued to that effect, no increments were given the following year as promised in the letter.

The engineers and other executives could not remind him about this as it would not be looked upon with favour. However some people did do so but to no effect. Two of the middle-level Engineers/Technologists/Executives left. Senior men were feeling uneasy due to stress and strain but did not leave. It was a specialised industry and they would not have easily got a job at a comparable level elsewhere.

Some Issues :

1. Why did the entrepreneur give grades ? Could it be because
   (a) it was fair ?
   (b) of pressure of friends' advice ?
   (c) he wanted to please the friend so that he may continue to advise ?
2. Why were the increments not given the following Spear, after declaring grades:
   (a) due to a mistake of accounts ?
   (b) faulty communications ?
   (c) something more basic ?
3. Why did the seniors feel unhappy but did not leave:
   (a) lack of self-respect ?
   (b) faithfulness ?
   (c) helplessness as they may not get comparable jobs elsewhere ?
4. How would this affect the long term :
   (a) employee morale,
   (b) organisation effectivity,
   (c) production and productivity,
   (d) profits ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
PROMISE AND PERFORMANCE

1. The entrepreneur gave grades, entrepreneur felt it fair. The entrepreneur was very keen to raise production because it involved a huge investment which was not yielding adequate returns. Besides, it was suggested by his expert a friends to fix grades for various people.
2. The increments were not given the following year after declaring grades, not due to a mistake of accounts, nor due to faulty communications because in the fourth paragraph of this case it is clearly stated that while grades were fixed up, letters were also issued to that effect. Thus, something more than basic only way paid.
3. The seniors felt unhappy but did not leave. Senior men were not happy with the situation. They were feeling uneasy due to stress and strain i.e. they were under constant tension but did not leave because it was a specialised industry and it would have been difficult for them to get a job at a comparable level elsewhere. One requires time to get acquainted with new company, new situation, new atmosphere, new plans, policies, principles, methods etc.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4. **In long term, such a situation will definitely have adverse effects on the following aspects/factors.**

   1. **Employee morale :** The concept of morale is better identified with job attitudes of employees. In athletics, morale is associated with self-confidence of a playing team, in teaching, morale involves eagerness of students to learn, and in business, morale is concerned with enthusiasm. As morale is correlated with personal contentment, satisfaction of needs creates good morale. The above situation will adversely affect morale. The possibilities of absenteeism, labour turnover, adverse effect on productivity cannot be avoided.
   2. **Organisation effectivity :** It will affect the effective functioning of the organisation. Monetary benefit is one of the apex level considerations for a person joining the organisation. If promises are not performed, no one will have faith in the organisation promises.
   3. **Production and Productivity :** Production is mere volume of output. Increase of production does not necessarily mean increase of productivity, though higher productivity will lead to higher production. Production in itself does not raise the standard of living. It must be accompanied by increase of real income, purchasing power of the people. This can come about only through increase of productivity. The above situation will result in decreasing production as well as productivity.
   4. **Profits :** When production, organisation efficiency, productivity, employee morale will affect, this will also result in decreasing the profit earning capacity of the organisation.

ILLUSTRATION 30

PHYSICAL TRAINING

The management of a company strongly believes in the Western ideology of work performed. It believes that a healthy body can give better work performance quantitatively as well as qualitatively and further that the healthy body is an asset to oneself. As such the Company Management has laid down the minimum physical standards for recruitment purposes.

Inspite of the fact that minimum physical standards were strictly observed at the the time of recruitment, the personnel did not keep up the same health after working for 6 to 12 months. Under these circumstances, the Company Management started to think of such means which would accelerate the implementation of their ideology.

At present, almost all welfare activities directly relating to the up-keep of their health are available to them, including unlimited nutritious food during lunch hour, twice free milk or tea, uniform allowance around 50 paise per day per person and above all sports facilities in which the Company Management is mainly interested.

It is the earnest desire of the Company Management that each and every employee should participate either in P.T. or Sports. As an incentive, the Management gives 25 paise daily P.T. allowance, Re. 1/- to match players and free special transport. However, there is no good response from the workers' side. As this incentive has not proved sufficiently fruitful, the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Management has thought of another device. The other device is that the employees who are not actively participating in this field of activity or any other are confidentially advised to take keen interest (twice a year). At the outset, the response is somewhere around 90% but as days pass the response decreases and comes down to 60%. However, the Company Management is not sorry for the poor response it receives by adopting different devices, but is always helpful that in one or another way it will get a 100% response.

Some Issues

1. In such management who preserves so much in the matter of physical well-being of workers common in India ?
2. The case says our management believes in the Western ideology of work performance. Is the word 'Western' indicative of ideology in India being substantially different ?
3. What is this difference due to :
   (a) incapacity of workers
   (b) attitude of workers
   (c) incapacity of management vis-a-vis (a) & (b) ?
4. Is the attitude of management somewhat paternalistic, though very progressive ?
5. Why is the Management not meeting with full success in spite of such persistent efforts and progressive outlook ?
6. How would it work if the Management spells out its objectives, gets opinions of worker, leaders as to whether these are good objectives and if so, how this could be achieved ? Would that enhance morale as well as work performance with the same outlay of money and efforts ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
PHYSICAL TRAINING

1. It is true that the management of a company strongly believes that a healthy body can give better work performance quantitatively as well as qualitatively and further that the healthy body is an asset to oneself.
2. The case says our management believes in the Western ideology of work performance. The word 'Western' is clear indication of ideology in India being substantially different. The Indian workers, to a great extent, are ignorant about their health, their physique whereas in Western countries, workers are very much cautious about their health. They believe that the healthy body is an asset to oneself.
3. This type of difference is due to attitude of workers. It is not due to incapacity of workers nor due to incapacity of management.
4. The attitude of management though appears to be very progressive, it is somewhat paternalistic.

   The following points indicate that the attitude of the management is somewhat paternalistic :

   (a) The company Management has laid down the minimum physical standards for recruitment purposes.
   (b) Proper checking is being done.
   (c) Almost all welfare activities directly relating to the upkeep of their health are available to them which includes unlimited nutritious food during lunch break, twice free milk or tea uniforms allowance.
   (d) And the most notable point is that all sports facilities are provided in which the company management is mainly interested.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh Digitized by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

5. The Management is not meeting with full success in spite of such persistent efforts and progressive outlook because of the attitude of the workers. Most of the workers in India are illiterate. Most of them are basically from rural areas, where standard of living is low. There are many religious ceremonies, and above all the workers attitude is totally indifferent and they have not realised the importance of healthy body.
6. If the Management spells out its objectives, gets opinion of workers, leaders as to whether these are good objectives. This sharing of idea principle will definitely prove to be successful for the management. The communication, sharing of ideas in common, taking people into confidence, giving encouragement to people, rewarding the workers with gifts and prizes, or increasing in pay, incentives bonus, such schemes do give better results. If the importance of health is explained to the workers, this would certainly enhance morale as well as work performance with the same outlay of money and efforts.

ILLUSTRATION 31

IRREGULAR ATTENDANCE

Alex Morris is working in a big engineering concern for the last 17 years looking after a section of 30 men.

He is not a technically qualified man, but is practical man having good practical experience in two or three engineering concerts.

He is very good in devising some practicle gadgets to improve production and also very helpful in development of new products in the shop.

However, he is very irregular in attendance, sometimes remaining absent for about 6 to 7 days in a month. He gives various excuses such as :

1. He has to see the municipal authorities,
2. Attend the court.
3. Sickness : his own, or of his children, etc. Sometime ago he had some ulcer trouble, which however according to him was now completely cured.

Due to his absenteeism, he does not get full salary of the month and time, which leads to borrowing money from his assistants or workmen, etc., and this money is generally not returned.

This has resulted in losing his hold on his assistants and workmen and to some extent indiscipline in the department.

This might have resulted in loss of production also, if his senior officer had not taken care of the same from time to time. The problem is how to tackle this man so that he will be useful and contribute to the betterment of the company.

He was warned twice for his irregular attendance. His increment was withheld for one year for the same reason.

There may be one way to try, that is, by rewards and sanctions. However, he has now reached the top of his grade and cannot be given a higher grade unless specially sanctioned.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Some Issues :

1. Is Morris a good and skilled workman or a good supervisor ?
2. Are his talents used to best advantage by keeping him as a poor supervisor ?
3. Has he been given training to be a better supervisor ?
4. Is the problem not worsened by a situation where he feels he has nothing to gain, and also nothing to lose ? Could this situation be changed ? How ?
5. Is his boss keen to :
   (a) Improve Mr. Morris and
   (b) Avoid his ill effects from affecting other workmen ?
6. What action can be taken to improve the situation in terms of :
   (a) Improving Morris;
   (b) Reducing the ill effects on the department ?
7. (i) Could he be told about possible transfer (or demotion)
   (ii) If he does not improve, would it help ?
   (iii) Could he be transferred where he alone or with one or two assistants, could work where he is good, viz devising practical gadgets or developing new products ? Would it :
      (a) use him to better advantage
      (b) protect other workmen from ill effects of his behaviour ?
   (iv) If so, why this (either (i) or both) is not being done ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
IRREGULAR ATTENDANCE

1. Alex Morris is a good and skilled practical experience in two or three engineering concerns.
2. Alex Morris talents are used to the best advantage by the company. He is very good in devising some practical gadgets to improve production and also very helpful in developing new products in the shop.
3. Alex Morris is not a technically qualified man. No training has been given to him to become a better supervisor.
4. The problem is certainly worsened by a situation where Alex Morris feels he has nothing to gain and also nothing to lose. This situation can be changed. The senior officers should take him into confidence. They should try to understand his real difficulties, his problems. There are many causes behind irregular attendance. Firstly positive discipline method may be used and finally negative discipline method may be used. He should be encouraged by appreciation of his work, his efforts, his devotion, his loyalty. Hopes must be given for higher grades by special recommendation.
5. The management has always to be result-oriented. The management has to see how his contribution to the betterment of the company. Absenteeism of Alex Morris has resulted in losing his hold on his assistants and workmen and to some extent indiscipline in the department. Naturally, his senior officer is keen to avoid his ill effects from affecting other workmen.
6. The following actions can be taken to improve the situation in terms of
   (a) improving Morris - Refer to answer to question number -4.
   (b) reducing the ill

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Effects on department

1. Warning notices should be issued.
2. Memos may be issued
3. Written explanations may be demanded
4. Increments may be withheld
5. Labour unions may be informed
6. He may be transferred
7. On positive side for good working rewards may be given
8. Higher grade may be sanctioned.

7. Even if he is told about transfer (or demotion) it cannot be said with absolute certainty that he will improve. Negative discipline is to be used as last resort. It must be noted that Morris has worked for 17 years. He is a practical man. He was very helpful in development it new products in shop. If he is transferred where he alone or with one or two assistants, no guarantee can be given this method will be useful for the firm. However, to some extent, this method can protect other workmen from ill-effects of his behaviour. But the management has to always consider about repercussions or long term view. Sometimes delays in implementation of decisions also proves to be useful.

ILLUSTRATION 32

HUBLI PUMPS LIMITED

Hubli Pumps Limited is a public limited company with its head office in Madras. It is a medium-sized enterprise engaged in the manufacture and sale of automatic pumps of various types. It has a regional set up with sales offices and service stations at key centres.

Mr. V. G. Rao was the Service Department Manager. He was 45 years old and had worked with the company for over 20 years, starting as a mechanic. Twelve Service Supervisors reported to him directly. Each Service Supervisor was in charge of a service station maintained at key centres all over the region.

Mr. Patil, aged 33, had joined the company as a mechanic and was now the Senior Supervisor at the service station in Madras.

Six servicemen reported to him each of whom was assigned a certain area where he had to make routine calls on customers to ensure that their pumps were in working order.

The service station worked round the clock. One servicemen was always on duty to answer emergency calls from customers whose pumps needed immediate attention. The service station receipted an average of four calls a day.

The service station personnel included a scooter driver, Gopal who accompanied the servicemen on their rounds during the day carrying spare parts in a bag on his scooter. Gopal was 25 years old, and he had passed the fifth standard of local vernacular school. He reported to Mr. Patil, the Service Supervisor. Mr. Patil said that Gopal was an intelligent man with a great deal of initiative. When a customer's pump needed minor repairs urgently, Gopal would go out and repair the pump himself rather than wait for a serviceman, to be available. He was friendly and got on well with people. Customers spoke highly of him.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

It was the company's policy to notify all vacancies (excluding technical and supervisory ones) on their notice board. If the company did not get a good response and a suitable candidate, it advertised in leading local news papers. The vacancy was also notified to the local Employment Exchange.

Eight months after Gopal had joined the company a vacancy was advertised on the company notice board for a heavy truck driver for the company's staff buses. The notice stated that the applicant should have at least ten years experience of driving a heavy vehicle. He should have a clean record. A working knowledge of repairs and maintenance of automobiles would be preferred.

The truck driver's pay scale was Rs. 70-4-82-5-132 and that of a scooter driver Rs. 50-4-78-5-103. The difference between the initial salary was Rs. 20. The truck driver reached the top of grade at Rs. 132, while the scooter driver reached it at Rs. 103. Dearness Allowance was based on the Consumer Price Index and was calculated thus:

For the 1st 100, 175%

For the 2nd 100, $87\frac{1}{2}$ %

For the balance, $43\frac{3}{1}$ %.

Overtime was paid to those whose working hours exceeded 48 hrs. per week and an hourly rate of overtime was calculated thus :

$$\frac{\text{Basic Salary + Dearness Allowance}}{210} = \text{Rate for an hour for normal working days}$$

If a person worked on Sundays or Bank Holiday, overtime was calculated at $1\frac{1}{2}$ times the hourly rate. Truck drivers also earned *bhatta* at the rate of Rs. 101/- per day, if they were away from the city.

Gopal read the advertisement and went to see the Personnel Officer Mr. Swami. Later Gopal said to the case writer : 'I told Mr. Swami, when I joined the company eight months ago you told me that since I had a licence to drive heavy trucks you would consider me for the job should a vacancy arise. A vacancy has now arisen and I would like you to consider me for the Job. Mr. Swami rang up my supervisor, Mr. Patil. They spoke together for sometime in English. I do not understand English. Then Mr. Swami said to me : "Sorry, but Mr. Patil says that you are doing a very good job in the Service Station and he cannot spare you. He will consider you for a special increment this year." I told Mr. Swami, I didn't want an increment. I wanted a truck drivers job. He said, "Sorry, I can't do anything about it." I went to Mr. Patil and I told him that a truck driver's job had been promised to me. He said, "The Personnel Officer isn't running the company. He can't promise anybody a job. I have been looking after you and I always praise your work. You are really ungrateful." He didn't release me.

The day after he spoke to the Supervisor, Gopal saw the Union Representative. The Union Representative told the case writer. I told Gopal about the Grievance Procedure Code that the company had introduced recently. I told him, he could go in appeal right to the Managing Director. Frankly, we have signed the Code too, and we want to test how sincere the management is about setting grievances across the table. This is an opportunity.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Two days later the case writer was in the office of the Personnel Officer. The Service Manager, Mr. Rao entered and stood near the door. The Personnel Officer stood up. Mr. Rao said, 'Gopal has sent in his grievance in writing. You know the facts of the ease. Well, I am supposed to answer it today. You can call him in and tell him on my behalf that since his grievance is no on the prescribed printed form, I am not going to take cognisance of it.' The Personnel Officer said, 'Very well, Mr. Rao.'

NOTE : A SIMILAR TYPE OF CASE HAS BEEN GIVEN BELOW AND ITS POSSIBLE SOLUTION HAS ALSO BEEN GIVEN.

CASE STUDY

HOOGLI PUMPS LIMITED

Hoogli Pumps Limited is a public limited company with its Head Office in Madras. It is a medium sized enterprise engaged in the manufacture and sale of automatic pumps of various types. It has a regional set up with sales offices and service stations at key centres.

Mr. S. Mani was the Service Department Manager. He was 43 years old, and had worked with the company for over twenty years, starting as a mechanic. Twelve Service Supervisors reported to him directly. Each Service Supervisor was in charge of a service station, maintained at key centres all over the region.

Mr. Patel, aged 35, had joined the company as a mechanic and was now the senior supervisor at the service station in Madras. Six servicemen reported to him, each one of them was assigned a certain area where he had to make routine calls on customers to ensure that their pumps were in working conditions.

The service station worked round the clock. One Serviceman was always on duty to answer the emergency calls from customers whose pumps needed immediate attention. The service station received an average of four calls a day.

The service station personnel included a scooter driver, Shankar who accompanied the servicemen on their rounds during the day carrying spare parts in a bag on his scooter. Shankar was 25 years old, and he had passed the sixth standard of a varnacular school. He reported to Mr. Patel, the Service Supervisor. Mr. Patel knew that Shankar was an intelligent man with a great deal of initiative. When a customer's pump needed repairs, he would do it himself. He was friendly and got on well with the people.

It was the policy of the company to notify all vacancies. Now there was a vacancy of a truck driver. When he joined the company he was holding the licence to drive heavy vehicles but since there was no vacancy he was offered this job. He approached the company's personnel Manager who spoke to Mr. Patel. Mr. Patel replied that he was good in his work and so he cannot spare him, but he suggested a special increment to be given to him. When he complained to Mr. Patel, he told him that a Personnel Manager cannot promise anybody a job. He is not running the company.

Two days later he spoke to the Supervisor, saw the Union Leader. A day later the Service Manager entered the Personnel Manager's Office and told him that Shankar has sent his grievance in writing. He said you know the facts of the case. Well, I am supposed so answer it today. You can call him in and tell him on my behalf that since his grievance is not on the prescribed printed form, I am not going to take cognisance of it. The Personnel Manager said 'Very well Sir'.

Questions :

1. Was the Service Manager right in taking his decisions ?
2. How would you react as a Personnel Manager to Service Manager's decision ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

POSSIBLE SOLUTION / SUGGESTED ANSWER
HOOGLI PUMPS LIMITED

I & II. BACKGROUND AND ANALYSIS

Hoogli Pumps Ltd. which is a public Ltd. Co. is engaged in the manufacture and sale of automatic pumps of various types. It is a basically a medium sized enterprise. It has a regional set-up with sales offices and service stations at key centres.

Mr. Mani had worked with the company for over 20 years. He started as a mechanic and rose to the position of service department managers. Twelve (12) Supervisors reported to him directly and each service supervisor was in-charge of a service station at a key centre. Mr. Mani was 43 (Forty Three) years of age.

Mr. Patel, age 35 joined the Company as a Mechanic and is at present working as a senior supervisor at the service station in Madras. Six servicemen reported to him. Each one of these servicemen was assigned a definite area where he had to take routine calls on customer to ensure that their pumps were in working condition.

The service stations worked round the clock and always a serviceman was on duty to answer the emergency call from customers whose pumps needed immediate attention. On an average, 4 calls were received daily at a service station. The service station personnel included a scooter driver, Shankar who accompanied the servicemen on their rounds during the day carrying spare parts in a bag on his scooter. Shankar was 25 (Twenty five) years old and passed 6th standard (VI Standard). He reported to Sir. Patel the service supervisor who was impressed about Shankars intelligence, initiative and capacity. Whenever a customer's pumps needed repairs, Shankar himself used to repair it. He was friendly and got on well with the people.

A vacancy of a truck driver recently took place. When Shankar joined the Company, he was holding the licence to drive heavy vehicles but as there was no vacancy at that time he was offered the present job. He approached the Company's Personnel Manager in regard to the vacancy. The Personnel Manager spoke to Mr. Patel and Mr. Patel expressed his unwillingness to spare Shankar. However, he suggested a special increment to him. Shankar complained to Mr. Patel. But Mr. Patel told him that a Personnel Manager cannot promise anybody a job, he is not running the Company. In this respect, Mr. Patel has passed an unthoughtful remark which is not keeping in with his position as an experienced service supervisor.

Two days later Shankar spoke to Supervisor saw the Union leader all this is a result of the frustration in the mind of Shankar. A day later the Service Manager entered the Personnel Manager's office and told him that Shankar has send his grievance in writing. The Service Manager informed the Personnel Manager that as the grievance of Shankar was not written in the prescribed printed form, he cannot take cognisance of it. The Personnel Manager fully agreed with this view. In this connection, a great error has been committed by the Personnel Manager in not asking Shankar to state his Grievances in the prescribed form. Nevertheless this snag on the part of Shankar's should not have prevented the service manager to take due cognisance of it. Eventhough adherence to formal procedures is a must and absolutely necessary in the interest of efficiency, still in matters such as this the practical aspect should have been considered as more appropriate rather than an insistence on formalities.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

III. ANSWER TO QUESTIONS

1. The service manager has not taken an appropriate decision. This is mainly because any grievance whatsoever of a loyal, faithful and efficient worker should be attended to with patient hearing. For the simple reason that the grievance was not in the prescribed printed form, Shankar was denied immediate justice. It is quite reasonable on the part of Shankar, who holds a licence of driving for Heavy Vehicles to apply for a vacancy of Truck Driver when it has arisen. The very fact that the Personnel Manager was favourable to the application of Shankar shows that the Personnel Manager was doing his duty in the normal course. However, it is not an appropriate step on the part of personnel manager to remain silent when the service manager has given an inappropriate decision. The service manager has taken a hasty and inconsistent decision by his statement that the written grievance of Shankar was not in the prescribed form. The service manager should have considered the facts of the case in the proper light and should have given an agreeable and favourable decision.

As a Personnel Manager, one would never hesitate to bring to the notice of the Service Manager, that Shankar's care deserves careful attention and it should never be turned down on the flimsy ground that the grievance was not in the prescribed form. Further, one may go one step ahead by persuading the Service Manager to reconsider his decision by inviting Shankar for a favourable settlement of his grievance.

ILLUSTRATION 33

SOMANI DRESSES PRIVATE LIMITED

Patalganga is a small industrial town of the Bombay-Banglore highway which has developed during the last decade. Among the many varied industries that have settled in Patalganga, Somani Dresses Pvt. Ltd. is one which has progressed rapidly. It is very difficult to determine as to what factors contribute to the success of a business, but Somani Dresses Pvt. Ltd. has a combination of the old and the experienced personnel at the top level and the young and the energetic at the middle level management. Communication between these two levels is formal as well as informal. There are monthly review meetings when managers discuss their problems formally with their Chairman and during lunch time daily informal discussions take place between the various executives freely.

Somani Dresses Pvt. Ltd. manufactures readymade garments for gents and ladies. It has become popular because of the new fashion and designs it has introduced in the market through its retail chain-shops in the major cities of Maharashtra. The way it has a combination of old and young persons in its organisation, it has a combination of old and new fashions in its products. It appears that the organisation functions with a combination of old and new concepts in management. "I have neither introduced an organisation chart or position descriptions of any kind in this company nor will I do it in the future," said Mr. Puranmal Somani, the founder and the Chairman of the company, in the recent monthly meeting of the Executives. Even further continued "We are a successful and fast growing company where I want all managers and employees to feel that they are the members of a team. Organisation charts and job descriptions have a tendency of making people feel that they own a position, and they want to keep it to themselves. I will have none of that ! We have grown from a small company of annual sales of Rs. 5 lakhs to Rs. 250 lakhs now because we have all worked together and we have excellent designs and styles with the lowest costs. We are not 'Reliance Textiles' with its complicated organisation charts and I never want us to be ore of that kind."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

As it used to happen usually, Mrs. Anita Kampany and Mr. Ghanashyam Oza were at the lunch table together. They were discussing some of the issues that had arisen out of the recent meeting of the Executives. While discussing Mr. Puranmal Somani's opinion of organisation charts and position descriptions Mr. Oza, the Finance Executive said, "I fully back the view expressed by our Chairman. Our success is due only to our team work, and it is because we have kept aside organisation charts and position descriptions. We are managing these 147 and odd employees successfully without them."

Mrs. Anita Kampany, the designer and in charge of the manufacturing activity said, "The Chairman's approach is old fashioned. It has not changed over the last ten years. I have more than 90 persons working with me. Consider how much time. I would be spending with each of them approaching me with individual production problems. I do not carry on my work without an organisation chart and position descriptions in my department. I have supervisory levels, and I have delegated authority and responsibility to them. I have hidden my departmental charts and position descriptions in one of the compartments of my executive table."

Guiding Points :

1. What is the secret of the success of the organisation ?
2. The concept of teamwork appears to be different according to the characters in this case. Is it in conformity with management theory and principles ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
SOMANI DRESSES PRIVATE LIMITED

I. BACKGROUND

II. ANALYSIS

III. SUGGESTED ANSWER

1. Really speaking, it is very difficult to determine as to what factors contribute to the success of a business. However, the following factors are worthnoting :

(a) **Old and experienced persons at top level :** Somani Dresses Pvt. Ltd. has a combination of the old and experienced persons at the top level who are manufacturers and young at middle level management take sound and timely decisions.

(b) **At middle level :** The young and the energetic at the middle level management.

(c) **Method of communication :** Communication between these two levels is formal as well as informal.

(d) **Monthly review meeting :** There are monthly review meetings when managers discuss their problems formally with their Chairman.

(e) **Daily informal discussions :** During lunch time, daily informal discussions take place between the various executives freely.

(f) **Readymade garments :** This industry manufactures readymade garments for gents and ladies.

Source : University of Poona M. B. A. Nov., Dec. 1984

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(g) **New fashions and designs :** It has become popular because of the new fashions and designs. It has introduced in the market through its retail chain-shops in the major cities of Maharashtra.

(h) **Combination of old and new concepts in management :** The way it has a combination of old and young persons in its organisation, it has a combination of old and new fashions in its products. It appears that the organisation functions with a combination of old and new concepts in management.

(i) **Well established team-work:** One of the important factors attributing to the success of a business is that managers and employees of Somani Dresses Pvt. Ltd. feel that they are the members of a team, they don't own a position. The company has kept aside organisation charts and position descriptions.

(j) **Lowest cost :** Chairman, executives, managers and employees they work together and they have excellent designs and styles with the lowest cost.

(k) **Proper attention towards individual production problem :** The designer and in charge of the manufacturing activity spends maximum time with each of the workers (90 persons approaching her with individual production problem.)

(*l*) **Delegation of authority :** This is also one of the secrets of the success of the organisation levels, without attaching much importance to departmental charts and position descriptions authority has been delegated and they are held responsible for the same.

In this way, the secret of the success of the organisation can be explained.

2. In order to know whether the concept of team-work is in confirmity with management theory and principles-Firstly we will have to know the concept of team-work. Team-work means a group of people who have individually made a compromise in the interest of the group. Team-work helps to develop a sense of belonging to the group. It helps to create informal, compromise and relaxed atmosphere. It helps to provide a unique group objective, which should be well understood and accepted by the members. It helps to give serious attention to the matter of acquiring understanding of the factors which determine the effectiveness of group-action and to the acquisition of skill in utilising them. Although the concept of team-work appears to be different according to the characters in this case. Still, it is in confirmity with management theory and principles. The efforts of Mr. Puranmal Somani, the founder and Chairman of the company are such that the managers and employees certainly feel that they are the members of the team. Mr. Ghanshyam Oza, the Finance Executive is also of the opinion that their success is only due to their team-work and it is because they have kept aside organisational charts and position descriptions. They were successful in managing 147 employees. The designer and in charge of the manufacturing activity Mrs. Anita Kampany is different in her approach. She believes in information, comfortable and relaxed atmosphere. She believes in organisation charts and position descriptions i.e. clarity in thought. She spends maximum time in solving individual production problems. She believes in delegating the authority and responsibility. Thus, she has provided a unique group objective which has been well understood and accepted by the members and there is no misunderstanding and confusion.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 34

MAYAB LIMITED

Mayab Limited is an Indian company collaborating with a foreign firm. It deals mainly with the distribution of imported and indigenous goods. The company also has its own manufacturing plant.

One of these departments, in collaboration with an Italian firm from Milan, sold Rossy typewriters. It also had a separate service department with a large stock of spares. According to the Department Manager, it was 'by far the best service and repair outfit in the country'. There were 18 men in the department, all mechanics specializing in typewriter repairs and service.

To support indigenous manufacture, the imports of these parts were reduced and then banned. As a result, the company decided to disband the department, but faced the problem of 18 surplus men. Management felt there were two alternatives : the men could be absorbed into other departments, or be retrenched. It was not possible to absorb them into other departments immediately as their skills were specialized.

However, a third alternative was presented. It was suggested that the company ask the mechanics and servicemen to form a cooperative society. The suggestion came from the Manager Import Division, Mr. Otto Schnefder who was a German and the Department Head, Mr. B. K Surti. The co-operative society they pointed out, could as an independent body, service any typewriter machine including Rossi. The business could be 'really banded over to them'. The initial capital for the service co-operative could come out of capital contributions from the men themselves. The men were to receive money from the Provident Fund, retiring gratuities, and retrenchment compensation for their service with Mayab Limited. According to the State Government's Registrar for Industrial Cooperative Societies, it was feasible for the men to form a co-operative society and have it registered under the Co-operative Societies Act.

Mr. B. K Surti had 'certain solutions' for making, as he said, 'the blow lighter';

1. The mechanics would be allowed to continue to use Mayab's office premises for one year, which would give them enough time to make alternative arrangement.
2. The mechanics should be willing to consider working either as Mayab's sub-agents, contractors, or as an independent organisation dealing directly with clients.
3. As the resources were limited, Mayab would maintain the spare parts stocks and the mechanics could draw their requirements according to a mutual arrangement.

All the arrangements for the formation of the Co-operative Society were first discussed with Mr. Mervin D'Souza, functional chief of the typewriter service group. Mr. D'Souza had been sent abroad by Mayab for training. He was 52 years old and the oldest member of the group. He had served seven years in the Military Police. Then the others were spoken to by the Department Head. Of the 18 mechanics in the department, three senior mechanics each decided they could start their own business, and did so.

D'Souza, with most of the view, accepted the proposal of forming a Co-operative Society in a letter to the Manager they gave their conditions for joining, some of which were :

1. All repair work accepted by Mayab and incomplete at the time of winding up the department should be transferred to the Co-operative Society which would undertake to carry on the work at the same charges.
2. The mechanics would place all their demands for new spare parts with Mayab Limited, which would in turn order them on the import licence it already held.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. The management should try to absorb as many of them in the firm (Mayab Limited) as possible.
4. The mechanics would be officially nominated successors to the company's typewriter section as far as repairs and service work were concerned. (SEE APPENDIX)

The response of some of the younger mechanics was, according to 'D'Souza, 'not encouraging'. There were four non-Goans who did not wish to join at all. The rest of the group were Goans and the four said they would be discriminated against by them.

One of the dissenters, Mr. K. Joshi, wrote to the manager for a transfer. He pleaded that he was the sole supporter of a large family and avoid he doing a school final examination in two months. This change would harm his whole family and career.

Management was faced with several issues

- Should it go ahead with the plan to the help in forming the Co-operative Society or not ?
- What about the ensuing conflicts ?
- Could Joshi be treated differently ?
- What were the other alternatives ?
- What kind of policy should it have for similar problems in the future ?

APPENDIX

The Manager
Marketing Division (O. E. Section)
Mayab Limited
Mumbai
Dear Sir,

With reference to our conversation regarding the taking over of Typewriter Service Section, I and my colleagues Mr. L.D'Cruz and Mr. A. Pereira and others who wish to join us (they are still awaiting your decision), are prepared to take over the Typewriter Service Section on your closing this section, on the following basis:

1. That we promise to maintain the good name of Mayab Ltd. Service by attending to our clients promptly and regularly.
2. That we promise to maintain all typewriters now under contract at existing rates, until such time that we feel the rates need change.
3. That all fully paid contracts should be adjusted in such a way that the remaining months of service which has to be done should be paid to us.
4. That all repair works taken over by Mayab and which remain incomplete till closing vim should be transferred to us and we undertake to carry on the work at the same charges as previously estimated.
5. That we be officially nominated successors to your typewriter section as far as Repairs and Service works is concerned.
6. That we promise to undertake to maintain your office typewriters and repairs at reasonable rates agreed upon.
7. That preference to purchase old and unserviceable typewriter should be given to us at competitive rates.
8. That a few tools and furniture in use at present in the workshop should be sold to us at a responsible rate taking into consideration the age and condition of both the tools and furniture.
9. That we shall purchase all necessary parts required by us by paying cash, at rates agreed upon, and that you shall not sell any parts to local dealers as they may misuse the same.
10. That we shall place all our demands for new parts with you and you will order them for us through your licence.
11. That in case you wish us to take over all the existing part in stock, you will give us a fixed period, i.e., at least five years to make good the amount in instalments.
12. That it is the intention of the above named to form a co-operative society.
13. That you allow its to use the present premises on rental basis - for at least six months to make alternative arrangements.
14. That you let us know in advance of your individual notice pay, leave pay, retrenchment compensation, gratuity, Provident Fund and any other dues each one of us is entitled to get to enable us to plan the necessary funds.
15. That you make some arrangement to absorb as many to us as possible in the firm.

We shall be pleased to meet you and discuss any clarification that you may want in connection with the above.

Awaiting an early reply,

Yours faithfully,
Sd/-
(M. D'Souza)

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2023-24

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION / SUGGESTED ANSWER
MAYAB LIMITED

1. BACKGROUND

2. ANALYSIS OF THE CASE

3. POSSIBLE SOLUTION.

1. In this case, the Mayab Ltd. has decided to disband the typewriter department and the company faced the problem of 18 (Eighteen men). The management has to take decision on this issue. Thus, there is a problem of business policy and also problem of handling surplus men on account of said policy. There are three alternatives to handle the problem of surplus men :

    1. To absorb them into other departments.
    2. To retrench them (as it was not possible to absorb them into other departments immediately as their skills were specialised).
    3. The company should ask the mechanics and servicemen to form a co-operative society. The suggestion came from the Manager Mr. Otto Schneder and the Department Head Mr. B K. Surti. Although the suggestion has been made by them it is difficult to form the society, because the success of the co-operative society depends upon co-operation mutual trust, self help and these qualities are absent amongst the 18 mechanics in the department.

2. The ensuing conflict may come to an end as everybody is interested in guarding one's interest. When the mechanics will be allowed to continue to use Mayab's premises for one year, this would gave them enough time to make alternative arrangements. Mechanics can work as Mayab's sub-agents, contractors etc.

3. Mr. K. Joshi should not be treated differently. His problem may be about his whole family and career but as a policy matter his transfer should not be allowed. The management should explain these points to him in a very polite manner.

4. The other alternatives are :

    1. **Own business :** The mechanics could start their own business.
    2. **Other product on parallel lines :** Mayab Limited may add some other product on parallel lines.
    3. **Work as Sub-agents, Contractors :** Mechanics could work as Mayab's Sub-agents, Contractors.
    4. **Absorbtion :** The management should try to absorb as many of them in the Mayab Limited as possible.

5. It must be remembered that Mayab Limited is an Indian Company collaborating with a foreign Arm, which deals mainly with the distribution of imported and indigenous goods The Company also has its own manufacturing plant, Mayab Limited should frame long term business policy for similar problems in the future.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

1. It should be seen that discriminatory treatment will not be given to any one in the organisation.
2. Surplus men should be dealt with properly.
3. Official nomination should be given to the successors in the organisation .
4. Permission should be given to use the premises of the company on rental basis for at least six months to make alternative arrangements.
5. The company should give individual notice pay, leave pay, retrenchment compensation, gratuity, Provident fund, other dues etc.
6. Company should examine the *pros* and *cons* of the circumstances which led to the closure of typewriter unit. The company may add some other product on parallel lines.
7. The company should conduct extensive market survey and new suppliers should be identified.

ILLUSTRATION 35

SHAH AND BROWN LTD.

Brown and Hardling were amongst the largest British Companies in India, starting off, as most companies did those days, by exchanging the produce of Europe for Indian raw materials. They were as successful company dealing mainly with tea and spices. A few years after India came indepenent, Brown and Hardling decided to form an Indian Company with the help of a prominent Indian industrialist. The new company was called Shah-Brown Limited. It diversified its activities and introduced new management techniques.

In 1960, Shah Brown with the help of a Management Consultant introduced a system of managerial job evaluation in the company. Till then, there had been two managerial grades for salary administration. One was the junior executive grade whose basic salary structures was :

Rs. 250 – 20 – 310 – 25 – 410 – EB – 440 – 30 – 530 – EB – 560 – EB 710.

EB stood for Efficiency Bar. The executive could expect automatic annual increments till he reached the efficiency. Bar at which inefficient managers could be stopped from getting further increments. However, this rarely happened in Shah-Brown Limited On top of his basic salary, the junior executive further earned a Dearness allowance which varied from 110% to 150% on the first Rs. 100, 50% on the second Rs. 100 and 25% on the third Rs. 100 up to a maximum of Rs. 400. The dearness allowance depended on the Cost of Living Index published by the State Govt. every month.

When the new salary structure come into being as a result of the managerial job evaluation, letters were sent out to the various junior executives informing them of the salary group in which they were now, but details of the actual salary structure were not revealed. The management felt that the actual figures in the salary groups ought to be kept confidential.

On 15th April 1960, Mr. Vishnu Namjoshi received a letter signed by his departmental manager saying : 'As a result of managerial job evaluation your present job falls in the salary group six, and consequently your present salary Rs. 620 exceeds the ceiling of the group within which your job has been evaluated. Until such time as you are promoted to the next highest job group or your job content is enlarged, your increments will depend on your potential for promotion/performance.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Vishu Namjoshi was born in 1915. He had gone to high school and later received diplomas in Fire Insurance and Accounts. He had four children. He joined Brown and Harding as a clerk in their insurance and accounts section as had risen to the position of junior executive after 30 years of service. As a clerk he had been prominent in the trade union activities of the Brown and Harding Union but management apparently did not frown on his activities because his annual appraisal reports were satisfactory. When Namjoshi was promoted into the Juniro management cadre, he had to give up his trade union activities. He joined the Junior Executives Association and it was through his efforts as office bearer that the Association was registered under the Trade Union Act. According to the personnel manager this ation was 'unilateral' and the others members of the Association protested at his having done so. A number of members resigned from the Association. The Personnel Manager said that Namjoshi was hurt about this.

On 28th April 1960, Namjoshi wrote to the manager of his department putting forward a few points for his 'Kind and sympathetic consideration.' He said that as a result of the new salary structure he would lose three increments ; and that he had progressed greately under the former two departmental managers.

He continued , 'I will be completing 32 years of service on 11 September 1960 and will be 55 years old on 9 February 1961. The present salary I receive – Rs. 620 is after strenuous effort. When I compare myself with the newcomers I find that while I am placed in salary group six which is the last salary group, the newcomers with less than three years service get a salary of Rs. 610 or more and are replaced in salary group five.'

'I had great hopes that I would be properly reward for long and faithful service. The letter was a severe blow to my hopes for I know now that I have been demoted an my future prospects are nil. This is something I could never have dreamt of. To say that my present salary exceeds the limit is too much of humiliation to one of the seniormost members of this company who has rendered such meritorious service. I cannot express in words the metal agony I am passing through after I received a letter. I am sure of your sympathetic consideration of this case by compensating me with increments which were rightly due to me and shall allow me to work in peace during the remaining period of my service.'

Namjoshi sent copies of his letter to all the members of top management. On 6th May, the personnel manager who was a member of top management call Namjoshi's departmental head, Mr. K.C. Chougle and discussed the problem. Mr. Chougle talked to Namjoshi and reported back to the personnel manager and his own superior, the accounts manager, who was also in Top Management. The Accounts Manager sent for Namjoshi and 'counselled him' and assured Namjoshi that he would reach the maximum of his old grade Rs. 710 and that he would discuss the matter further with the personnel manager.

Namjoshi said, 'Besides the question of salary it does make a difference whether I am in salary group six or five so far as perquisites and status are concerned, as an employee in the higher group gets greater benefits than the one in the lower group.'

The personnel manager wrote on 16th May to the Accounts Manager saying that he had received Mr. Namjoshi's job with Mr. Chougle and decided on the increase of a few points 'The job still remains in group six. Mr. Namjoshi's is considerably hurt. As a special case we shall place him in group five so that he receives the status and perquisites of group five. His job however will continue to be in group six unless the job content in enlarged calling for a higher classification. We shall write to him accordingly.'

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

On 11th September 1960, Namjoshi wrote to Mr. Chougle sayign that he usually received an annual increment every September but for reasons not know he had not received in that year. He also said, 'Due to my prudence and ability in bringing the O and M to study to my section to the company has been saved from a loss to the extent of Rs. 20,000.'

A week latter Mr. Chougle sent for Mr. Namjoshi and discussed his letter and promised to look into it. On 28th December Namjoshi wrote to Mr. Chougle again saying, 'I am pained to find that no action has yet been taken to restore my increments. I have now a feeling that my case, his deliberately been ignored.'

On 15th January 1961, Mr. Namjoshi wrote to the Chief Executive of the company. He sent copies of the letters he had written to Mr. Chougle and said, "It pains me to inform you that both these letters have been ignored. He had been working for the company for over 30 years but had never imagined that he would be given such humiliating treatment. He had come across other top executives in the old days and none of them interfered with the service conditions which would have affected the staff adversely. Now changes are being made without taking into account hwo it affected one's prospects. In consequence I am returning the Jubilee gold watch – presented to me by the company in recognition of 25 years of my faithful and meritorious service as although it has material value it has lot its significant value. The significance for which it was presented to me has turned into humiliation.'

Discuss the issues and suggest suitable remedies.

POSSIBLE SOLUTION / SUGGESTED ANSWER
SHAH AND BROWN LTD.

1. BACK GROUND

2. ANALYSIS

3. POSSIBLE SOLUTION

Mr. Namjoshi who has rendered 30 years of Meritorious service has not been promoted in a proper scale. The company has given him humiliating treatment. The changes are being made in his service conditions without taking into account how it affected one's prospects. Mr. Namjoshi has refused to take jubilee gold watch which may have material value but it has lost its significance.

MEASURES IN THE SHORT RUN	MEASURES IN LONG RUN
1. ***Segment Meeting*** : Kind and sympathetic consideration must be given to Mr. Namjoshi who has reduced 30 years service.	1. There must be just and equitable policy fair treatment.
2. His demand is quite reasonable.	2. Proper communication.
3. ***Proper job evaluation*** : There should be proper job evaluation.	3. Detailed analysis
4. Man is the centre of every policy. We should not *forget* him in our diagrams and *equating – Einstine*.	4. Proper opportunities for promotion.
5. **Grievance Committees** should be formed.	5. Effort and reward relationship.
Age – Salary – Faithful service.	6. Human relations approach.
	7. Principle of national justice : No man should be condemned before he is heard.
	8. Proper reward for long and faithful service.
	9. Proper organisation chart, Proper job evaluation.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 36

VILLAINS OF THE SCREEN

"It seems that the roof is going to suddenly cave in. " said Dhirajbhai.

"This is exactly what I have been thinking since morning, after perusing this month's reports." said Rohitbhai. "Let us waste no more time . This is the copy of the letter I had addressed to you, Dhirajbhai, three months ago when I had realised what menance video would be to our business. Today we must take either a policy decision or adopt a strategy to encounter this villain off the screen. " said Sunilbhai.

The three brothers then reached the meeting room where the Sales Manager, the Finance Manager, and the Legal Advisor ware waiting for them.

Parul Film Exhibitors was a partnership of the above referred three brothers established in Rajkot since 1962. It owned 42 theatres in the State of Gujarat. The theatres were mainly located in district towns spread over the State and in Ahmedabad. Their investment in this business during the last 22 years had surpassed the Rs. 5 crore mark. More than half the number of theatres were constructed during the last ten years.

Off late video parlours had sprouted in all the 30 centres where Parul Film Exhibitors bad their theatres. Apart from these parlours, the restaurants were using video films to attract customers by showing the films during lunch and dinner timing. During the last six months the demand for cinema shows had dropped down from 85% to 30%. The normal 10 week run for big movies in the major cities had petered down to four weeks. This had created manly administrative problems.

The three brothers had called the Legal, Advisor the Sales Manager and the Finance Manager because they were fully appraised of the situation. In fact each one of them had studied the situation and they were to bring their proposals to counter the problem .

The Legal advisor the meeting first. He said, the Government of India intends to reframe the Copyright Act of 1957 making any violation a cognisable offence with a possibie jail sentence. Most of the video films are pirated. The users can be punished because they have illegally imparted video films in India. Recently 15 video libraries in Bombay were raided by Customs and Rs. 16 lakh worth of cassettes were seized. The second ray of hope is also based on the action being taken by the Government of Maharashtra, which is likely to have a greater impact. It has decided to issue an ordinance amending the Bombay Entertainment Act to include the mushrooming video parlours as well. So it would be better to wait at this stage than to frame any policy or adopt any strategy."

The Sales Manager spoke next. He said "The impact of the video films has not only been felt in our State but it has been felt in all States in India. Video films have affected our film exports also. In 1979-80, 199 films worth Rs. 2.32 crores were exported to U. K. In 1983-84 only 23 films worth Rs 39.45 lakh have been exported. Since it has affected the Indian film industry the Indian Motion Picture Producers' Association has copyrighted over 600 films. The Film Federation of India has prohibited its members from selling video rights of films. The video boom is felt more strongly in small towns than in metropolitan cities. Spread of television is likely to affect the film exhibition industry more than the video films. "

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Finance Manager spoke last. He said, " We cannot continue in this business for long because 80% of our capital is invested in fixed assets. To achieve quick turnover we should not exhibit films for more than three weeks in cities arid for only one week in small towns. Availability of films may pose a problem. We may ourselves convert the theatres into parlours. In U.K. some of the film exhibitors have converted the Cinema halls into supermarkets. We can convert the Cinema halls into wedding reception centres to reduce the variable expenses. Diversification is needed at this stage. We may do it slowly but it is a must. "

The meeting was interrupted by the personal secretary of Sunilbhai who handed over to him a telegram. It contained the following massage:—

"Extra-ordinary meeting scheduled tomorrow at Ahmedabad participate with your concrete suggestions " — Gujarat Film Exhibitors Association.

Guiding Points :—

1. Assuming you are Sunilbai how would you solve the problem and what suggestions would you give to Gujarat Film Exhibitors Association ?
2. Can the problem be solved by diversification ? In what area ? Why ?

POSSIBLE SOLUTION / SUGGESTED ANSWER
VILLAINS OF THE SCREE

1. BACKGROUND

2. ANALYSIS

3. POSSIBLE SOLUTION.

1. SOLUTION TO THIS PROBLEM :

Policy decision / A Adopt a strategy to encounter this villian of the screen.

1. Cinema shows has dropped down from 85% to 30%. Normal 10 week run film today runs only for 4 weeks.
   (i) Less investment can be made because 80% of the total invesment has already been made in fixed assets.
   (ii) A care must be taken to run the film not more than 4 weeks.
2. Less number of theatres should be constructed.
3. Provide certain facilities to the customers i.e. Restaurants, Parking etc.
4. There should be restriction to its member from selling video rights to the members.
5. Conversion of cinema halls into video parlours.

Suggestions of Gujrat Films Association :

1. Video films may be shown during lunch and dinner timing.
2. Modification is necessary in Copyright Act of 1957. This offence may be treated as cognizable offence and punishment should be enacted.
3. Customs should raid video parlours.
4. An amendment should be made in Mumbai Entertainment Act.
5. Illegal import of video cassettes should be prohibited.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

6. Export policy should be changed. Research and Development should be carried out.
7. Availability of film should be restricted.
8. Cinema halls should be converted to business centres or wedding reception centres.
9. Film should not be shown more than 3 weeks in cities and only for one week in towns.

2. DIVERSIFICATION

Diversification is a comprehensive concept. Diversification means entering into a new area of new market, different from to existing area of operation. In diversification, new products, new services, new markets, new techniques and even a new company may be added to the existing ones.

When there are surplus funds they can be safely used for diversification programme. Diversification is needed when the existing product or service is blocked on account of environmental and regulatory factor. Maximum risk is involved when the risk is concentrated is one area/place. So diverisifcation is needed in order to minimise the risk by spreading it over several areas.

Gujrat Film Exhibitors Association can certainly go in for diversification. It is essential for stability, survival and growth of business enterprises. Diversification is needed in order to reinvest earnings and to stimulate the sales.

Diversification is needed when the demand of the existing product declines, then in order to reduce dependence of such product as well as to maintian market share.

When there is cut throat competition and subsequent loss of market, then in order to face the competition boldly, diversification is needed.

When the risk is concentrated in one area then to minimise the risk by spreading it over several areas, diversification is needed.

In order to achieve a high level of growth within a short period, diversification is needed.

Diversification is needed as an alternative to expansion.

Other examples of diversification :

1. **ITC (Indian Tobacco Company) :** A cigarette manufacturing company has diversified into hotels, paper and paper bonds, packaging and printing.
2. **Indian Rayon Limited :** Today, it manufactures rayon, cotton, synthetics, fax machines, cement, sanitary ware etc.
3. **Kelvinator Indian Limited :** Manufacturers refrigerators, deep freezers, compressors, microwave ovens etc.
4. **LIC :** Basically known for Life Insurance Policies today takes interest in various types of policies, mutual funds, housing loans, etc.
5. **Wimco Limited :** Originally, known as largest manufacturing of safety matches today is also known for Agro forestry, engineering, food processors, chemicals and bulk exports.
6. **Essar Group :** A present deals with shipping, marine construction, iron and steel, Zee tele films.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

7. **Johnson and Nicholson Ltd. :** Basically, known for paints, it has entered the fields of industrial electronics.

8. **BHEL :** Basically, known for manufacturing equipments like switchgears and transformers. Today, it manufactures power generation equipment and railway engines.

9. **Ballarpur Industries Limited :** Basically know for fine quality paper. Today it also manufacturers glass, soaps, chemicals, edible oils, project engineering and construction materials.

10. **Larsen and Toubro Ltd. :** (Originally known for manufacturing engineering goods). Today, it manufacturers cement, medical and electronic instruments, off shore oil and gas production platforms, petrol and diesel dispensing pumps, shipping, hardware, nuclear and space exploration, mineral processing equipment and has planned to diversify into power and fertilizer sector.

Diversification can be done through internal research and development or through amalgamation and absorption or through patent and license.

Thus, there is no harm in solving the problem through diversification as it provides number of advantages and is useful for stability, survival and growth of the undertaking.

ILLUSTRATION 37

BEKO ENGINEERING WORKS

Beko Engineering Works, a heavy engineering unit, was established in 1926. To haul steel and other materials from, and finished products to, the nearby railway station, and for the transportation of materials from one department to another within the works, the company had eight steam locomotives. They had been purchased about 30 years earlier and posed many repair and maintenance problems.

The company, therefore, decided to hare a phased programme of replacing them by six diesel locomotives. These had several advantages over steam locomotives. For instance, apart from quicker and better haulage of rolling stock while diesel locomotives needed only 15 minutes for fuelling a day, the steam locomotives spent over an hour every four hours, to take coal and water. Diesel locomotives could also be easily switched on and off and were economical to operate. Besides providing cleaner working conditions for the loco crew, by this replacement, the company would be relieved from providing steam coal and treated water at different point in the works.

When the first diesel locomotive was received in the works, the management initiated a programme for training diesel drivers. First preference for such training was naturally given to the drivers of steam locomotives. Arrangements were made to relieve them from duty for training. As most of them were old and uneducated, the training had to be extended to a period of two months. Log sheets which were to be filled in by drivers at the end of each shift, were translated into the regional language for those who did not know English. The care with which they should operate the diesel engines and the difficulty of procuring spare parts from abroad were duly impressed upon the trainees.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Each steam locomotive had been manned by a driver and a fireman. As there was a greater degree of automation in diesel locomotives and as there was no need to maintain the fire or clean ash-pans, they were to provided with firemen. What was more, in some of the smaller diesel locomotives there was no place for a second man. A spare driver was provided for every three locomotives to relieve each regular driver for two hours during an eight hour shift. To compensate drivers for the additional responsibility as well as for the change in job content, then were placed in a higher payscale Management also agreed to absorb the surplus firemen in other vacancies without any loss in their earnings.

The recognized trade union had been kept informed of all these changes and had raised no objection at that time. However, when the new diesel locomotives were commissioned with one driver each to man them, the secretary of the union, on a representation made by the loco crew, sent a strong protest note to the General Manager, and wanted the matter discussed in detail, before any change was introduced. He pointed out in his letter hat the drivers would not be able to man the diesel locomotives for six hours without attendants to help them. He argued that this change affected the promotion of the firemen rendered surplus and also the group relationship established during many years of work-life. Two men on each locomotive would have a better view on both sides of the track, and this was necessary for safety. Moreover, as each steam locomotive had been manned by a driver and a firemen for the past 30 years, it was difficult to convince the drivers and firemen that diesel locomotives could be manned singly.

Management was aware that the loco crew could, if they wanted, bring all operations in the works to a standstill. They therefore agree to discuss the issue with the union before implementing the scheme.

POSSIBLE SOLUTION / SUGGESTED ANSWER
BECO ENGINEERNG WORKS

I. BACKGROUND
II. ANALYSIS
III. POSSIBLE SOLUTION.

I. BACKGROUND : BRIEF SUMMARY

In this case, a problems is faced by the Beco Engineering Company regarding introduction of change of steam locomotives to Diesel Locomotive. The company was facing the problem regarding transportation. The eight steam locomotives were replaced by 6 diesel locomotives. Diesel locomotives were found to be more convenient.

After the introduction of first locomotive a training programme was initiated by the management. But due to certain difficulties training was difficult.

There was more automation in diesel locomotive. Certian things were unnecessary hence, such things were not provided to the workers. Such as :

(i) Ash-pans
(ii) Firemen.

A provision of spare driver was made and for compensation, higher salary was also offered by the management. Replacement of fireman in other jobs was also made by the management.

So fear of displacement from job of firemen was also removed by the management.

CC-0 Agamnigam Digital Preservation Foundation,Chennai.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The management informed the recognised trade union about above changes and there was no objection by the trade union. On the arrival of new diesel locomotives, the secretary of the trade union made a protest to the General Manager to make the discussion before the introduction of the change.

(i) He stressed the need of attendants for 6 hour shift.

(ii) He argued about the promotion of the fireman.

(iii) Two men on each locomotive for safety purposes are needed.

The management problem was to convince the drivers and foremen that locomotives could be managed one person. Hence, management decided to make the discussion before its implementation.

II. ANALYSIS OF THE CASE

Name of the company	:	Beko Engineering Works
Type of the industry	:	Heavy Engineering Unit
Year of Establishment	:	1926
Method	:	Company has 8 steam locomotives
Year of Purchase	:	30 years earlier
Problems	:	Many repair and maintenance.
Decision of the	:	To have a phased programme of replacement by 6 diesel locomotives.

ADVANTAGES OF DIESEL LOCOMOTIVES OVER STEAM LOCOMOTIVES

(i) Quicker and better haulage of rolling stock.

(ii) Diesel locomotives needed only 15 minutes for fuelling a day whereas steam locomotives spent over an hour.

(iii) Switching on and off is easier in the case of Diesel locomotives.

(iv) Diesel locomotives were economical to operate.

(v) Diesel locomotive provide cleaner condition for the loco-crew by replacement.

(vi) Relief for the company from providing steam coal.

The management initiated a programme for training diesel driven. First preference was given to the drivers of steam locomotives. They were relieved from duty, as they were old and uneducated, training was extended for two months. So some changes line change in driven absorbtion of the surplus firemen etc. were made. The recognised trade union wanted the matter to be discussed at length and hence, finally the management agreed to discuss the issue with the union before implementing the scheme.

PROBLEM :

Due to introduction of diesel locomotives many problems are coming up :

1. Number of workers : Less workers are required - driver and firemen. Fire is not needed.
2. Ash-pans are also unnecessary.
3. Training is to be given to the operators.
4. Changes were communicated to the trade union and no objection was raised.
5. Secretary of the trade union took the objection on the arrival of diesel locomotives on the following grounds :
   (i) He adressed the need of attendants for 6 hours shift.
   (ii) He argued about the promotion of the fireman.
   (iii) Two men on each locomotive for safety purposes are needed.

CC-0 Agamnigam Digital Preservation Foundation, Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Main Issue : In this case, the Beko Engineering works had eight steam locomotives which were purchased 30 years ago and had many repair and maintenance problems. The management has decided to replace them by six diesel locomotives. But due to greater degree of automation in diesel locomotives, there was problem of surplus foremen, driver attendants, etc. The recognised trade union wanted the matter to be discussed at length and hence, finally the management agreed to discuss the issue with the union before implementing the scheme.

Whenever any change is to be made in any industry, there is always resistance on the part of workers as well as trade union. The fear of loss of job.

SOLUTION :

In this case, the management is rational and progressive minded in its approach. The management realised the need of change in the steam locomotives to be replaced by the diesel locomotives. The introduction of diesel locomotives necessitated certain changes, such as reduction in firemen, ash-pans, etc. The management also realised the need and necessity of training to be imparted to the workers. The management took every effort in communicating the changes to take place, to the trade union. In the beginning, no objection was raised but later on strong protest was made by the secretary. He stressed the need of certain demands. So the management decided to make discussion before its implementation.

In the long run, the management will have to be more cautious in approach. The management realised the need of change in the steam locomotives to be replaced by the diesel locomotives. The introduction of diesel locomotives necessitated certain changes, such as reduction the need and necessity of training to be imparted to the workers. The management took every effect in communicating the changes to take place, to the trade union. In the beginning no objection was raised but later on, strong protest was made by the secondary. He stressed the need of certain demands. So the management decided to make discussion before its implementation.

An undertaking is essential them the workers union as in the beginning no objection was taken and afterwards a strong protest was made by the secretary.

While making the discussion with the secretary the management will have to convince them certain points as :

1. Diesel locomotives is for the benefit of the workers as well as the management.
2. Ash pans are unnecessary : It was needed only in the case of steam locomotives.
3. The safety of the workers is of prime importance for the management. It follows the guidelines productivity council. But one person for every shift of 6 hours means for three shifts 3 persons will be needed and the management will have to bear 3 additional persons burden, which will be loss to Beko Engineering works. An increase in expenditure. Without returns is a loss to any company. Thus, the management could convince the workers and the secretary two illiterate.
4. The management will have to make discussion regarding promotion of fireman. The fireman will be absorbed in the company. There is no fear of unemployment. They will remain in protected category and will net have to suffer any loss. They will get protection of pay, promotion and all other benefits. This point will have to be clarified by the management.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

5. The management will have to clarify that two persons are not needed. Diesel locomotives are safer than steam locomotives. The management is more concerned with the safety of the workers. Two persons means the management will have to bear additional expenditure. When the persons are not needed, additional appointment of person will be loss to the management.

The management should take people, (i.e. workers and secretary) into confidence. The management will have to clarify their 'imaginary doubts'.

The mangement should also emphasis the need of the training to the workers. It is for the betterment of the workers. There will be improvement in their skill and intelligence and work methods. They can get an opportunity to learn new methods of new techniques. Thus, the change is for their betterment only. All this will also help to improve their standard of living.

If any other doubts are raised by the workers by the secretary of the unit the management should give by clarification. The co-operation of the workers is also necessary and hence, by proper communication the management can overcome the situation.

In short, the following steps are essential :

1. **Proper communication :** The workers should be communicated properly. The workers always resist new changes. The fear of loss of job should be removed from the minds of the workers.
2. **Full-fledged training programme :** It should be initiated for the workers so that they can be trained properly for the new job. It should be remembered that the most of the workers are old and uneducated.
3. **Job security :** The management should give an assurance to the workers that although automotive diesel is introduced, the workers will not be retrenched. An assurance regarding total job security is important for the workers.
4. **Preparation of clear-cut organisation charts :** After the introduction of diesel locomotives, less workers will be required. There was no place for the second man. A spare driver is provided for every three locomotives to relieve each regular driver for two hours during an eight hour shift. These ideas can be clarified with the clear-cut organisation charts.
5. **Safety Measures :** The management should introduce safety measures. Two men on each locomotive would have a better view on both the sides of the track and this is necessary for safety.
6. **The management** should explain following main advantages of diesel locomotives to the workers so that there will be less repair and maintenance problems :
   - (i) Quicker and better haulage of rolling stock.
   - (ii) Diesel locomotives needed only 15 minutes for fuelling a day whereas steam locomotives requires over on hour.
   - (iii) Swtiching on and off is easier in the case of diesel locomotives.
   - (iv) Diesel locomotives were economical of operate.
   - (v) Diesel Locomotives provide cleaner condition for the loco-crew by replacement.
   - (vi) Relief for the company from providing steam coal.

If spite of all above steps, of all above steps, the things will go beyond control, the management will have to take drastic steps to retrench the workers after following necessary procedure and new trained staff will have to be appointed.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 38

FUNCTIONING OF CHIEF EXECUTIVE OF A MANUFACTURING COMPANY

Inderjit is about 40 and for the last year has been the Chief Executive of a manufacturing company, that operates autonomously, but belongs to a large group. He has firm ideas on how best to manage people. In general terms, he believes that people respond best when the pressure is on them.

Inderjit has tremendous energy. He comes to work at 7.00 O'clock and stays late each evening. He works very hard and expects others to do the same. He is a stickler for details and often sends his managers running back from meetings to collect more facts. Face to face meetings with him are something like inquisitions. He has a very aggressive questioning style and bawls people out when he notices mistakes. He is proud that he can move heaven and earth to "fix" problems. Since he is good both in technical and financial matters, he tends to intervene as soon as he suspects a deficiency. He almost "pounces" to sort it out himself.

When there is a problem to be solved, Inderjit likes to call all those involved together in one room, irrespective of rank or reporting relationships and forces the facts out on to the table. In order to bring, out the truth, he adopts a very challenging style (such as, "I don't believe in you ...", You are lying..."). Such remarks are made out in public, often to senior managers in the presence of their subordinates. What is more, Inderjit will even keep the group at it all night, if necessary, keeping aside other commitments. Eventually, he succeeds in solving the problem and also gets advance warning about other likely problems.

Raghunath, the personnel manager, is one who reports to Inderjit and particularly resents this treatment.

He finds it degrading for a man in his position and also feels that, as personnel manager, he must do something to change Inderjit's style. Raghunath is seriously concerned about the effects of Inderjit's behaviour.

He notices that his colleagues are showing signs of stress; they are putting in enormously long hours. They have become more competitive towards each other and less co-operative. Their preoccupation with Inderjit has reached absurd proportions. They spend lots of unproductive time talking about Inderjit in his absence and trying to anticipate "his next move."

Another alarming effect of Inderjit's behaviour is that senior managers spend long hours, getting the details right, so that inderjit's probing will not catch them out. Managers who were previously willing to delegate, are now less inclined to do so. They feel the only right way is to do things themselves. The managers thus spend all their time on day-to-day issues and are not inclined to do any forward planning.

Furthermore, Raghunath notices that the managers are less willing to accept mistakes than before. They try more to contain the problems conceal them from Inderjit to escape his wrath.

Ironically, Inderjit has complained to Raghunath that too many managers are "fire fighting" instead of doing what they are paid to do, that is "to think". He told Raghunath that he could not understand why people "don't realize that conflict management is nothing but stimulating alternative courses of action? What I really want is for them to go back, think again and tell me about it."

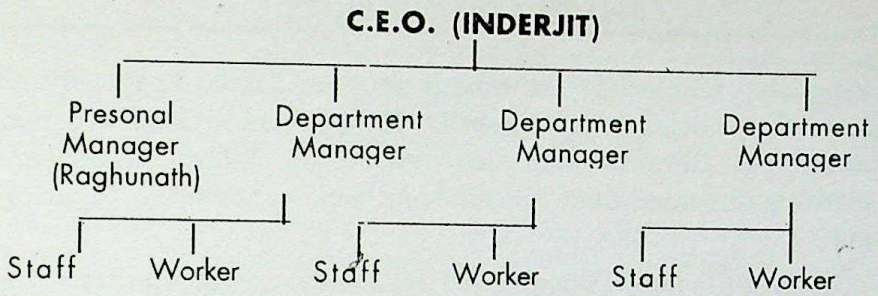
Analysis of the case :

Company : A manufacturing company, that operates autonomously, but belong to a large group.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Organisational structure :



Incidence :

Inderjit has tremendous energy. He comes to work at 7.00 O'clock and stays late each evening. He works very hard and expects others to do the same. He is a stickler for details and often sends his managers running back from meetings to collect more facts. Face to face meetings with him are something like inquisitions. He has a very aggressive questioning style and bawls people out when he notices mistakes. He is proud that he can move heaven and earth to "fix" problems. Since he is good both in technical and financial matters, he tends to intervene as soon as he suspects a deficiency. He almost "pounces" to sort it out himself.

When there is a problem to be solved, Inderjit likes to call all those involved together in one room, irrespective of rank or reporting relationships and forces the facts out on to the table. In order to bring, out the truth, he adopts a very challenging style (such as, "I don't believe in you ...", You are lying..."). Such remarks are made out in public, often to senior managers in the presence of their subordinates. What is more, Inderjit will even keep the group at it all night, if necessary, keeping aside other commitments. Eventually, he succeeds in solving the problem and also gets advance warning about other likely problems.

POSSIBLE SOLUTION / SUGGESTED ANSWER

Effects of Inderjit's behaviour-staff including managers are showing signs of stress becoming more competitive and less co-operative, managers are spending time in unproductive activity of trying to anticipate Inderjit's next move. Managers are reluctant to delegate and are spending lot of time and energy and getting to the details right and not spending their time on foreword planning. They started concealing facts for fear of represent.

(i) From Inderjit's behaviour and staff's response as described above it is clear that Mr. Inderjit is very energetic, he applies pressure tactics, he is a workaholic, very stubborn and particular about details very inquisitive, self assertive, shows a parent child behaviour pattern.

(ii) He appears to be a benevalent autocratic leader. His influencing relations are cohessive, does not delegate authority, does not respect dignity, or hierarchy of authority, he does not differentiate between manager and staff and sports supervisors's in front of their subordinates. His style of functioning relates in un-productive waste of time in minute details and looses precious time which was to be used for planning. His leadership style demands accountability without delegation of authority. He is self centic.

(iii) The option left before Mr. Raghunath is to make individual counselling to managers and to know their views and intimating Mr. Inderjit about the reasons for the managers behaviour as fire fighting instead to think. He should appraise the fact to Mr. Inderjit and be a little liberal with them.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

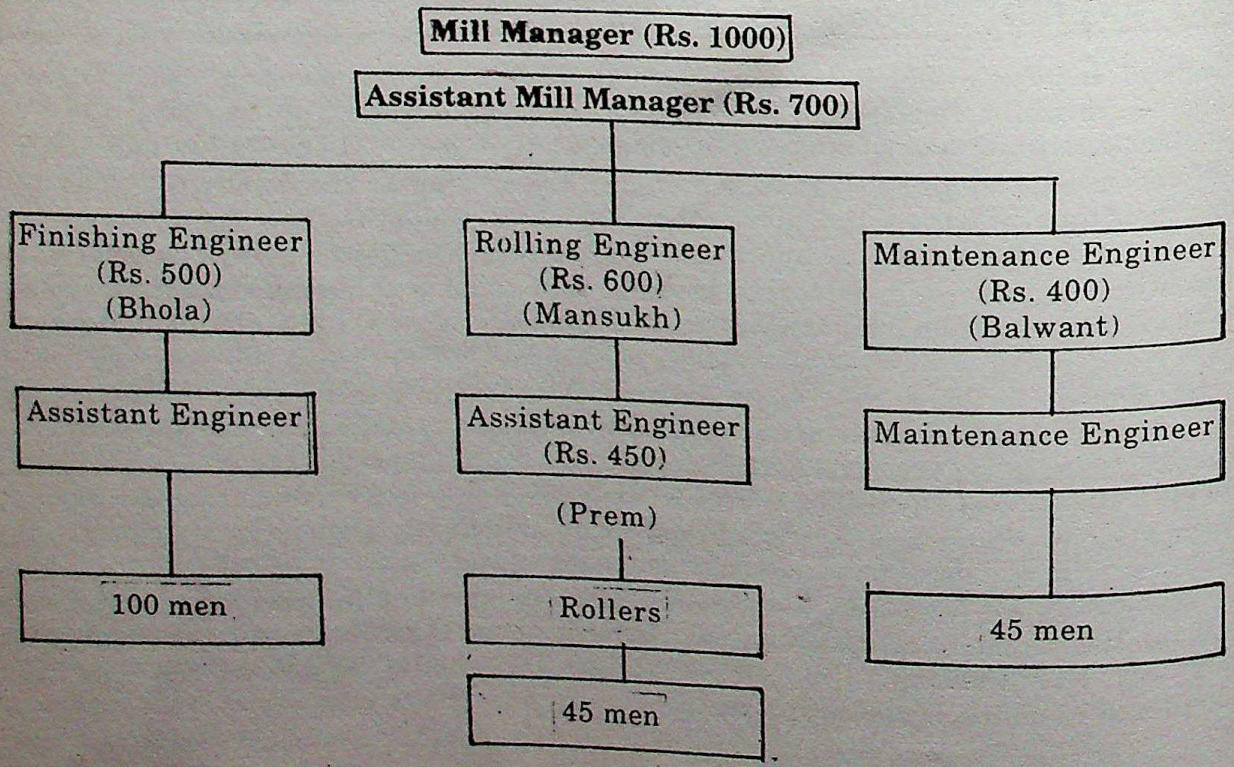
ILLUSTRATION 39

PAPPU RE-ROLLING MILLS

To meet the increased demand for merchant mill products, Pappu Re-Rolling Mills decided to set up a new fast-moving re-rolling mills. The decision and construction of the mill were entrusted to a West German firm. In view of too heavy investment involved, management was anxious to commission the mill and achieve its rated capacity within the shortest possible time.

A little before the mill was commissioned, about 200 men were taken in from the three older units, mostly on promotion. In management's opinion, they were happy over their selection arid prospects. They worked in close co-operation, striving hard for the early achievement of the rated production of the mill. In spite of this, the mill took two years, an unusually long period, to attain its rated capacity. This imposed a great strain on everyone especially the senior supervisors. The organization structure of the new mill-is given in chart below.

The Mill Manager, aged 55, was an engineering graduate from a university abroad. He had 30 years, experience in rolling operations before he was transferred as Mill Manager from one of the older units. The strain involved in commissioning the new mill affected his health. The Assistant Mill Manager, aged 50, was a qualified mechanical engineer. He was to assist the Mill Manager in the planning, direction, co-ordination, and control of the activities pertaining to production, quality and cost control despatching maintenance and personnel. Before his present appointment, he had worked as Maintenance Engineer in one of the older units. As the mill was highly mechanised, his earlier experience in maintenance norm proved to be of assistance to the Mill Manager. They functioned as a team at the top.



CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Mansukh, aged 55, Engineer (Rolling) had joined the company as a skilled worker some 30 years earlier and had gradually risen to his present position. He had no formal education but was very good at rolling operations. Some of his former colleagues who had got promotions quickly, held positions of authority in the Company's Head Office. Management knew that he lacked administrative ability and did not believe in modern management techniques and practices. He officiated as Assistant Mill Manager whenever the occasion arose.

Prem, aged 35, Assistant Engineer (Rolling), was an engineering graduate. He had joined the company about eight years earlier as a roller and had slowly risen to the position of Assistant Engineer. It was management's opinion that Prem had demonstrated qualities of leadership. He was a popular figure in the mill, and took part in many social activities.

When the mill was commissioned, management knew that there was tension between Mansukh and Prem. Mansukh did not want a qualified engineer as his assistant, fearing that it would affect his own prospects. Prem himself tried in many ways to remove any misunderstandings, and to establish good relations with Mansukh. The first time that Mansukh was asked to officiate as Assistant Mill Manager, he had to rely heavily on Prem's help over the administrative work involved. Prem was then officiating as Engineer (Rolling), but he did most of the administrative work of the Assistant Mill Manager. During this period, Mansukh began to realize that Prem was a useful and sincere assistant. By and by, be developed a liking for Prem and thought in terms of a permanent working relationship with him.

Three years after the mill seas commissioned, the Mill Manager suddenly died. The loss was felt by everyone in the mill. The next day the Works Manager asked tie Assistant Mill Manager to take over as Mill Manager with Manager as Assistant Mill Manager. Mansukh declined the promotion. Instead, he suggested that the post be offered to his assistant, Prem.

Mansukh's refusal to take over as Assistant Mill Manager though he had often officiated in that position surprised the Works Manager. He was not prepared for it. He could not readily agree to Mansukh's suggestion to offer the post to Prem. His immediate reaction was that it would be 'too much of a jump for Prem'; besides Prem had not officiated in that position. He was also not sure of the feelings and aspirations of the other two engineers in the mill. The post of Assistant Mill Manager was a covered one and he had the right to select a person on merit and not on seniority alone.

There were two other engineers in the mill - Bhola aged 34, Engineer (Finishing) and Balwant, aged 33, Engineer (Maintenance). They were both engineering graduates who had joined the company a year later than Prem. The Works Manager considered them efficient, with potentialities for development. He felt that though they did not have rolling experience, they were capable of picking up the work quickly. Bhola had both a higher designation and salary than Prem, but Balwant had only a higher designation.

POSSIBLE SOLUTION / SUGGESTED ANSWER
PAPPU RE-ROLLING MILLS

I. BACKGROUND

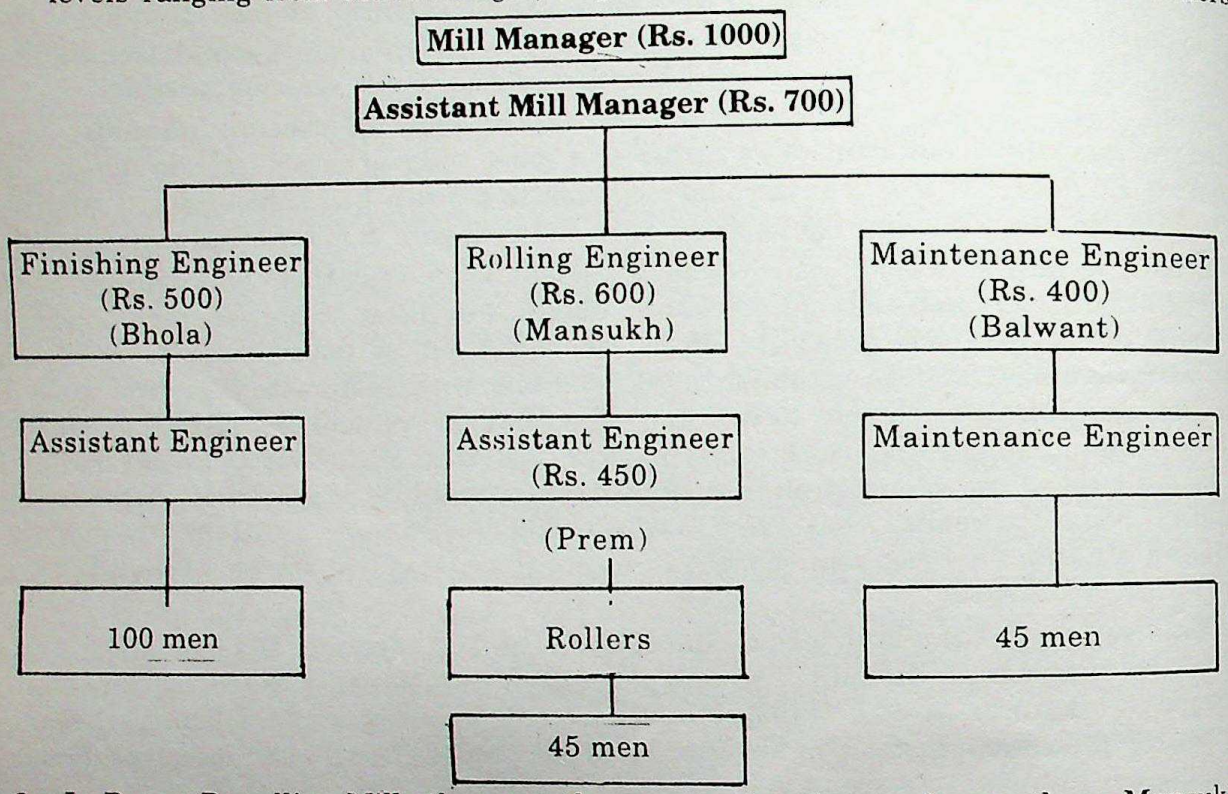
This is a typical case regarding promotion and organisational development policy. A senior engineer in Pappu-Re-rolling Mills who has no formal education turns down the offer of promotion to Assistant Mill Manager and recommends his better educated subordinate. The Mill Manager who was an engineering graduate from a foreign university is surprised and prefers to look at the other candidates.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

II. ANALYSIS OF THE CASE

1. The organisational structure of the Pappu Re-Rolling Mills shows that there are four levels ranging from Mill Manager, Engineer, Assistant Manager and the Workers.



2. In Pappu Re-rolling Mills there are three posts of engineers. Among them, Mansukh is the senior most who has rendered 30 years of service. He had no formal education but is very good at rolling operations. He, however, has no administration ability and has no faith in modern management techniques and practices. He developed very good relations with his assistant Mr. Prem, who is an engineering graduate joined eight years earlier.
3. Prem had demonstrated qualities of leadership. He helped Mansukh in administration when Mansukh was asked to officiate as Assistant Mill Manager. Thus, there developed a permanent relationship between Mansukh and Prem.
4. Mansukh declined the promotion as Assistant Mill Manager.
5. Mansukh suggested that the post be offered to his Assistant, Prem. The management did not consider Mansukh's recommendation on preparing Prem for the post and started thinking of Bhola and Balwant who were other two engineers in the Mill.

III. OBSERVATIONS

It can be very well observed that the reasons for Mansukh's refusal for promotion :

(i) **Mansukh lacked administrative ability** (But at the same time he was tempted have a command over the said post, which is covered one).

(ii) **Mansukh wanted to exercise control over the post through Prem otherwise Bhola and Balwant (other two engineers) would have claimed.**

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

The management after considering the seniority efficiency with potentialities for development may offer the post to Bhola who had both a higher designation and salary than Prem.

If the management accepts Mansukh's proposal and takes a decision to appoint Prem that may result in developing satisfaction amongst Bhola and Balwant since both of them possessed higher designation than Prem. Similarly, the management cannot consider the proposal made by Mansukh as it may set a bad precedent in the company. The promotion policy should be based on the years of services rendered and the management should give thought to proper Employee Appraisal Programme.

This issue can be settled by the Mill Manager. He can promote Bhola for the post of Assistant Mill Manager on probation basis. It is also essential to advise Mansukh and get his co-operation. The management can consider to promote Prem in the place of Bhola so that Mansukh will feel satisfied.

ILLUSTRATION 40

POPAT ENGINEERING COMPANY

Popat Engineering Company is a large heavy-engineering unit. A lot of importance was attached to the recruitment and training of its senior supervisors. Apart from those selected from within the organisation, every alternate year, the company recruited about ten young engineering graduates, who were then trained for two years before they were appointed as senior supervisors, about 40% of the vacancies for senior supervisors that occured in the organization were filled in this way. This was a planned programme to impart vitality to the organization. Besides, many of the old timers who had risen from the ranks did not possess an academic background, so that they could not keep pace with technological changes. Management also believed that, in the rapidly-changing conditions of industry, a band of technically competent supervisors played a pivotal role, besides serving as a pool for future departmental managers.

Engineering graduates were selected from those who replied to an all India advertisement. For the selection of one engineer an average of eight applicants was called for interview. A selection committee consisting of the Central Manager, the Production Manager, the Personnel Manager, and the Training Officer, interviewed the candidates. The interview was preceded by a written test and out of those who secured 40% marks qualified for the interview.

The engineers selected were given a two-year course of intensive theoretical and practical training at a well started and equipped Training Institute. This also trained trade apprentices and operatives required by the company. Lectures on theory were given at the Training Institute and practical training in all the works departments under the Guidance of qualified and experienced instructors. A few lectures by senior officers of the company acquainted them with company policies on different matters. In the last quarter of the training programme, they were deputed to work full-time to familiarize themselves with conditions in the departments where they were to be eventually observed. On completion of training, the graduate engineers were offered appointments depending on the performance and aptitude shown during training.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

However, most of them had some difficulty once they began to work. According to management, some of the heads of departments, who were themselves not qualified engineers, did not have confidence in the younger men. They preferred subordinates who had come up from the ranks, to hold positions of responsibility. A few stated that it would take years before these youngsters could pick up the work. Besides, some of the employees whose promotion was affected by the appointment of graduate engineers, did their best to run them down as a group sometimes playing on the class feeling of the workers. Several supervisors who were not graduate engineers also spoke derisively of them as the 'blue-eyed boys' of the organization. Management knew that many of the graduate engineers were not fully utilized nor was any attempt made to test or develop their potentialities. It was clear to them many of them were dissatisfied with their work life. Some, who did not get the promotional opportunities of their colleagues in other departments, were looking for better jobs elsewhere.

On the other hand, according to management, the younger graduate engineers were themselves partly responsible for this hostile reaction. Some of them failed to appreciate that it took time for a newcomer to be accepted as a member of the work group. They did not realize that they would only be fully productive after five to seven years' experience in the organization. A few thought that they belonged to a superior cadre and threw their weight about. They were not concerned about the problems of the rank and file who worked under them.

In spite of these drawbacks, the General Manager felt that these men formed a set of disciplined supervisors. They had pride in their profession, and, with the extensive training they had received, would be able to take up any responsible position in the organization in the course of time.

The General Manager could not allow this situation to continue especially since the recruitment and training of young engineering graduates of the requisite type and caliber was a difficult and costly process. He knew that to a large extent the prosperity of the company depended on these young men. In addition, a large number to lucrative employment opportunities were available to these young engineers elsewhere, and there was a systematic raid on them. He, therefore, called a meeting of all heads of departments to review the situation.

POSSIBLE SOLUTION / SUGGESTED ANSWER
POPAT ENGINEERING COMPANY

I. BACKGROUND

This case presents the problem involved in recruitment and training, thus the development of human resources. Young engineering graduates appointed as Supervisors felt frustrated and started thinking to leave the company. The management has adopted a modern plan to revitalise the organisation by recruiting and training the graduate engineers.

Scientific training placement are the part and parcel of the personnel policy. It can be observed in this company that there are set of rules in this area. Only 40% of the vacancies of the supervisors are filled in from the open market and 60% of the vacancies are available for rank and file promotion i.e. promotion from the existing staff. This is a fair policy. The company has spent time and money for the training and placement of supervisors.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

II. ANALYSIS OF THE CASE

(A) There was a planned programme for recruitment and training of the Senior Supervisors in the company. About 40% of the vacancies of the Senior Supervisors that occured were filled in this way.

(B) On successful completion of the training, graduate engineers were offered appointments depending on the performance and aptitude shown during training.

(C) These graduate engineers had some difficulties once they began to work. The difficulties faced by graduate engineers as felt by the management were as follows :

1. Some heads of the departments who were themselves not qualified did not have confidence in young engineers and preferred subordinates who had come up from the rank to hold positions of responsibility.
2. Youngsters 'blue eyed boys' were not picking up the work quickly. They would take years to discharge their duties effectively.
3. Some of the employees whose promotion was affected by the appointment of graduate engineers did their best to run them down as a group something playing on the class feeling of the workers.
4. Several supervisors who were not graduate engineers also spoke of them as 'blue eyed boys of the organization.'
5. Management knew that many of the graduate engineers were not fully utilised and attempts were not made to test or develop their potentialities.
6. Some of the young graduate engineers failed to appreciate that it took time for a new comer to be accepted as a member of the work group.
7. A few graduate engineers thought that they belonged to superior cadre and threw their weight about.

(D) The General Manager felt that these men formed on set of disciplined supervisors. They had pride in their profession.

(E) With extensive training, they had received would be able to take any responsible position in the organization.

(F) The General Manager had a problem since prosperity of the company depends upon these youngsters and they have better employment opportunities elsewhere. So in order to review the situation he convened a meeting of all the heads of the departments.

III. POSSIBLE SOLUTION / RECOMMENDATIONS

The management must review the difficulties faced by the graduate engineers :

1. The whole programme of training especially at the second year stage must be revised.
2. There should be stress on conference technique and group tasks involving dialogue and improved communication between graduate engineers and supervisors.
3. Attempts should be made to test and develop their potentialities.
4. Specific instructions should be given.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College of Education Bantalab Jammu

5. Dissatisfaction amongst them should be removed. Youngsters should be taken into confidence. There are difficulties of non-acceptance to them by the old staff.
6. There are internal frictions because of 'ego' or superiority element in the graduate engineer. It is necessary to examine these difficulties in different context. If corrective steps are not taken, graduate engineers may leave the organization because they have better opportunities of employment elsewhere.
7. Graduates were not fully utilised. No attempts were made to test or develop their potentialities.
8. The young graduate engineers should be properly briefed as to the landable service put in by the senior staff members. One can get a real training only by doing a job for years.

The General Manager should discuss the following matters in the meeting of all the heads :

1. A change in the attitude of the heads of the department is necessary.
2. An importance of recruitment of trained engineers from the open market should be emphasized specially in the context of the challenge of new technology.
3. The fact that about 40% of the vacancies are open for the right men from the existing staff, should be brought to the notice of the meeting of all the heads.
4. The heads should not prefer subordinates only but should give equal opportunities to all. They should not be partial in their attitude.
5. 'Class feeling' should be removed.
6. By a personal discussion with emphasis on psychological traits most of the difficulties and complaints can be solved or redressed. Youngsters should not be criticised as 'blue eyed boys'.

ILLUSTRATION 41

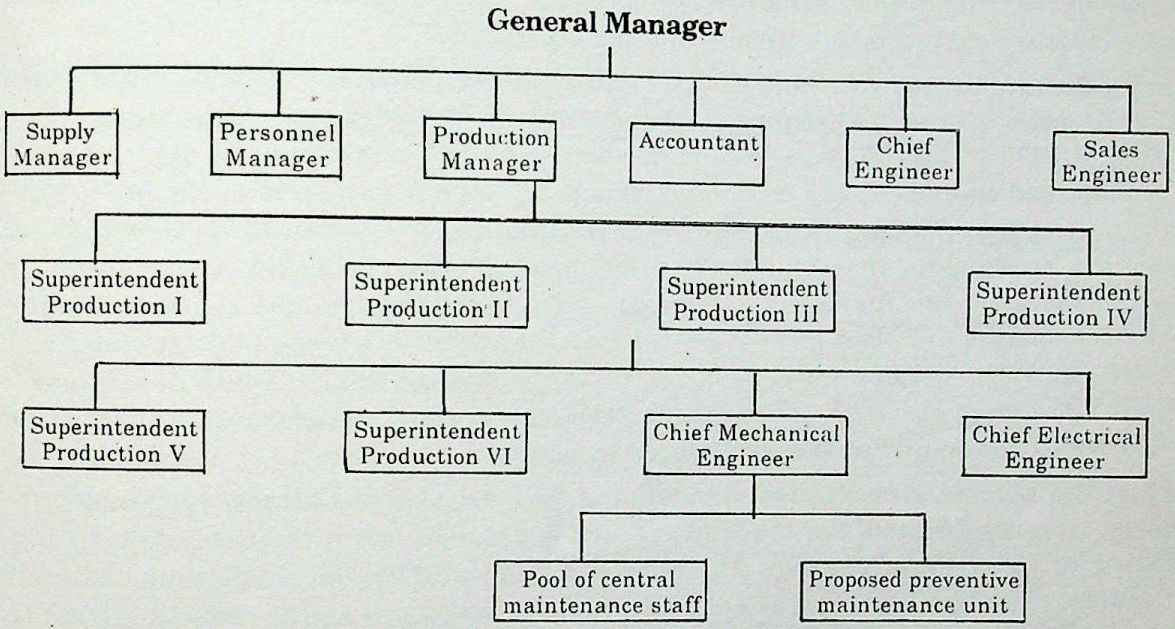
SHAUKAT ENGINEERING COMPANY

Shaukat Engineering Company, a heavy engineering unit, was established in 1930. Its paid-up capital was Rs. 5 crores, and it employed 7000 men. The chief executive of the company was the General Manager. The company had six production and two maintenance (electrical and mechanical) departments under the Production Manager, The latter, along with the Supply Manager, the Personnel Manager, the Accountant, the Chief Engineer and the Sales Manager, reported to the General Manager. All production departments were continuous operation units. Production personnel, other than senior supervisors, worked in three shifts. Chart below shows the relationship of the heads of departments in the company .

Each production department had its own mechanical maintenance section headed by a General Foreman who was responsible to the Superintendent. The former had three shift foremens under him, who were in-charge of routine mechanical maintenance and repair work in each of the three shifts. Their work was controlled and co-ordinated by the General Foreman. Under each shift foreman there were charge-hands, fitters, welders, helpers, offers and mazdoors, depending on the size and requirements of each department.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE 2025 Grant

Most of the supervisors personnel on the mechanical side of each production department were old and experienced men without much education. They had risen to their positions by virtue of seniority and hard work, and were extremely loyal to the organization. Some of them were slow to accept new idea and often opposed any change in existing methods to work or procedure. The management felt that this was because they were not confident of their ability to adapt themselves to modern techniques.



For all mechanical engineering problems, the Chief Mechanical Engineer was available for consultation and assistance, with a pool of central mechanical maintenance staff under him. This was responsible for setting right all major repairs and breakdown jobs in the various production departments, with the assistance of the departmental men concerned.

In spite of repeated advice from the Chief Mechanical Engineer, most of the general foreman in the operation units did not introduce a systematic programme of maintenance. They failed to carry out either the scheduled inspection work, or to analyze the causes of mechanical delays and to take remedial measures. Proper records, regarding the performance of the plant and machinery for effective follow-up, were not even maintained. Some of the general foremen who wanted to do this work systematically, could not do so as they had to attend to more urgent breakdowns or other jobs entrusted to them by their superintendents. All Production units were continuously in operation, and there were no regular meekly shut-downs. The normal maintenance and repair work had therefore, to be completed in a hurry; whenever a shut-down was agreed to at the convenience of the operation staff.

The plant and equipment were old and showed signs of serious wear and tear. They had been operated without much regard to proper maintenance, and sometimes with indigenous replacements. Consequently, breakdowns increased and delays became more frequent. The resultant loss in output pushed up the cost of production. The replacement cost showed an upward trend. Apart from the difficulties of getting foreign exchange for replacement of plant and machinery, Production and maintenance supervisors felt an ever-increasing strain, as they had to work long hours to attend to breakdowns and allied jobs. All the superintendents felt that the situation was serious and could not be allowed to deteriorate further.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The General Manager was fully aware of the situation. He felt that maintenance had become very important to sustain productive activity and should not, therefore, be treated as subordinate to production, to be availed of at the discretion of the production staff. In consultation with the Production Manager and the Chief Mechanical Engineer, he devices a plan of preventive maintenance. Accordingly, a small preventive maintenance unit was set up under the Chief Mechanical Engineer. For this unit, a group of young engineering graduates was selected with care from within the organization.

Under the programme, the plant, equipment, and their auxiliaries were to be maintained to function at peak efficiency, keeping their downtime to the minimum. This meant taking measures to prevent breakdowns, instead of waiting for the breakdowns to occur. As every item of plant and equipment had its normal term to life even with good maintenance it had to be replaced just before it failed. This required systematic and thorough inspection, with the aid of adequate records, so that an effective follow-up programme could be achieved. The preventive maintenance engineers and the mechanical general foremen concerned were to make joint inspections of plant and equipment, and the latter were to maintain records and do the follow-up work. Besides working in an advisory capacity, the preventive maintenance engineers were responsible for investigating problems of plant engineering, and suggesting remedial measures and improvements. wherever possible.

When the necessary preventive maintenance systems and procedures, prepared by the engineers, were issued to all the heads of production departments in the form of manual, the reaction was not very favourable. The mechanical general foremen felt that preventive maintenance alone was not going to solve the problems now faced by the company. The Chief Mechanical Engineer reported one of the old guards as saying: it is beneath my dignity to take advice on such matters from the young Preventive Maintenance Engineer who worked as my subordinate till the other day. All the general foremen unanimously stated that for implementation of all that has been laid down in the manual, additional men were needed.

Heads of departments themselves were not enthusiastic about the preventive maintenance programme. Some of the old heads of production departments felt that scheduled shut-downs of the plant and equipment would be an unnecessary waste of production time. They thought that it should not be necessary to shut down the plant and equipment for preventive -maintenance, so long as it gave service without a breakdown. The head of the department remarked. The profits made out of the production obtained during the forced downtime of the machinery to save an electrical motor from burning, would be sufficient to by 20 such motors. An old-timer, who had a few production records to his credit, said : It will always be more profitable to run the plant continuously, taking the risk of an occasional breakdown. The heads of department were not agreeable to scheduled shut-downs at the cost of production. They thought that shut-downs for preventive maintenance should only be when production schedules made it possible and convenient.

The General Manager realized that a serious situation was developing. He knew from experience that the creation of a staff department generally met with initial opposition from the line executives. They were right in thinking that the new department would take away some of their authority and also introduce more control over their operations. The General Manager also felt that most of the heads of departments knew the value of preventive maintenance ; the real problem was that of the relationship between line and staff, and attitudes to change on the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2023-Grant

Gandhi Memorial College Of Education Bantalab Jammu

part of the old supervisors. Means of selling the idea had to be found. Anxious to find a way out, the General Manager called a meeting of the Production Manager, the Superintendents of the six production departments and the Chief Mechanical Engineer.

(i) What are the facts in the case ?

(ii) What are the problems in the case.

(iii) Was the communication of the decision to have preventive maintenance effective ? If not, why ?

(iv) As a General Manager, how would you resolve the problem ?

POSSIBLE SOLUTION / SUGGESTED ANSWERS
SHAUKAT ENGINEERING COMPANY

I. FACTS OF THE CASE

1. Shaukat Engineering Company is a big organization with 7000 workers and Rs. 5 crores paid up capital.
2. The company has six production departments and two maintenance i.e. Electrical and Mechanical departments under the Production Manager each having its own mechanical maintenance section headed by a General Foreman who is responsible to the superintendent. Most of the personnels on the mechanical side of each production department are old and experienced men without much educational background but they are extremely loyal to the organization.
3. The Chief Mechanical Engineer is available for consultation and assistance. He has a pool of central mechanical maintenance staff which is responsible for setting right all major repairs and breakdown jobs in the various production departments.
4. All production units are having continuous operations. There were no regular weekly shut-down.
5. Most of the plant and equipments are old and absolute. The replacement expenses also showed an upward trend. This resulted in increasing breakdowns and frequent delays which ultimately, resulted in decrease in production.
6. The General Manager who is aware of the situation in consultation with the Production Manager and the Chief Mechanical Engineer devices a plan of preventive maintenance with the help of group of young engineering graduates.

II. PROBLEMS IN THE CASE

An introduction of a plan of preventive maintenance by the General Manager is not welcomed by all and has been criticised by the old, experienced and loyal workers who were directly concerned with such a plan. The old workers felt that taking advice from their juniors who have previously worked with them, is below them dignity and it hurts their ego and self-esteem, feelings and sentiments. They also felt that the new system is not going to improve the efficiency in the organization. on the contrary it would disturb the production schedule-e-shut down of the plant and equipment and unnecessary waste of production time. Hence, the problem is to implement the plan in such a way that it would bring efficiency and would also increase the production without any problems and complications in the organization.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Another problem is to maintain smooth relationship between line and staff and attitude to change on the part of the old supervision. This involved finding way and means of selling idea and to find a way out.

EFFECTIVENESS OF COMMUNICATION

Shaukat Engineering company suffers from a drawback of lack of proper communication. It appears that the overall environment is full of tension because all the persons who are directly concerned with the change were not consulted or convinced about the change the new plan was imposed on them. Hence, it can be said that the communication is not proper and effective.

III. SUGGESTIONS AS A GENERAL MANAGER TO RESOLVE THE PROBLEMS

As a General Manager of the company, the following suggestions can be made :

1. **Conveneing a meeting :** It is necessary to convene a meeting in order to consider the views and opinions of the persons concerned. The General Manager should take them into confidence and try to convince them about the validity of the new system and its necessity in the organization. An assurance is to be given to staff that in case, there are any grievances, they will be properly considered and proper steps will be taken to remove them. He should clearly state that the system as a whole is to be implemented effectively.
2. **Convincing old workers :** The General Manager should convince old workers about the sincerity and the ability of the young educated engineers and that they are not supposed to supervise them but to advise them. Their role as an advisor/ consultant is important.
3. **Use of trial and error method :** In the beginning, the General Manager should introduce the system on 'Trial or Error' method. It can be introduced in one of the two departments for a short span and subsequently, depending upon the results /outcome (statistical data/progress chart) the workers are to be convinced to introduce the system in all of the production departments of the company.
4. **Preparing a regular preventive inspection and lubrication schedule :** The General Manager should suggest the Chief Mechanical Engineer, that he should request each production department to prepare a regular preventive inspection and lubrication schedule so that possible repairs required can be known well in advance and necessary steps can be taken.
5. **Financial and Non-financial incentives :** Financial as well as non-financial incentives should be provided to the workers.

ILLUSTRATION 42

TQM AND INNOVATION

At 1:00 a.m. on a cool February night, Ranjan Jetley knew he had the answer. He closed the book he was reading, and put it back on the table alongside a huge pile of almost every tome ever written on TQM, switched off the small, but effective tal le-lamp that had illuminated his efforts, and went to bed. As he drifted off, Jetley was still thinking about the origins of the problem that had, so successfully, taken him back to B-school.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

He was, essentially, a change artiste. His business card read Vice-President (Business Planning), but Change Manager would have described his role better. A civil engineer and an MBA, Jetley worked for Horizon, one of India's largest manufacturers of two-wheelers, and a joint venture between the S.V. Group of Companies (the major partner, with a 40 per cent equity stake) and Hideo Motor Co. of Japan (a technology collaborator, with a 5 per cent stake).

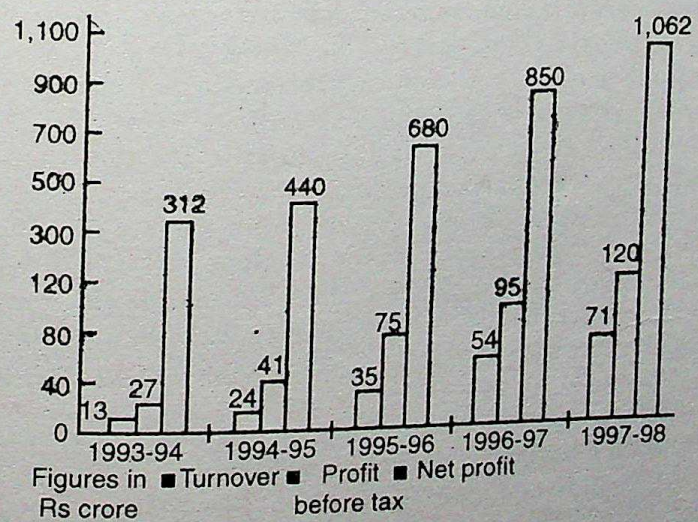
Jetley still remembered the day, almost 4 months ago, when his CEO, H. Narayanan, had sent for him . Narayanan was the typical hands-off CEO, content to let his managers run the company while he spent his time plotting its future. Knowing him, a sudden request for a meeting could only mean one thing: a problem.

As he was being ushered into Narayanan's room, Jetley realised that he was not the only one who had been sent for. Raman Bhatia, Horizon's President (Operations), and Rahul Kansal, President (Marketing), were already there. Quick greetings were murmured all around as he took the chair Narayanan pointed at.

"Gentlemen," began the CEO, "we have a problem on our hands. Something that could threaten our very survival if it is not attended to immediately. Rahul, I do not know if everyone has had the time to go through the audited market-share figures for 1998. Could you sum up the state of the market for us?"*

Certainly, The two-wheelers market is fragmented into 6 segments, mopeds, scooterettes, scooters, step-throughs, two-stroke motorcycles, and four-stroke motorcycles. We are the largest player in the mopeds segment, with a 45 per cent share. In the scooters and motorcycles segments—in both of which we are late entrants—we have market-shares of 12 and 16 per cent, placed at the fifth and the fourth positions, respectively. Although these figures represent a growth over our 1997 market-shares, it is becoming increasingly difficult to keep pace with customer needs..."

THE FINANCIALS



* Case Study by R. CHANDRASEKHAR. The names of the companies and the persons described in this case study have been changed in order to protect their identities.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

"That's a sea-change from the time when we had no marketing department and sold everything we produced . Today, inventories are the biggest drain on our working capital," added Bhatia.

"But that isn't the only operations-related issue we need to address, is it, Raman?" asked Narayanan.

"Not quite. There are more. One, the emission norms that will be stipulated by 2001. To meet them, most of our models will have to be scrapped or changed radically. The second issue concerns the continuing pressure to indigenise our components. We source almost 70 per cent of our components locally, but our efforts in this area—in the face of a weakening rupee— need to be stepped up."

"Thanks. Now, these are ordinary issues, ones that any business faces. Right ? What worries me, though, is our ability to find answers to them. Let me put it simply. I think we have, somehow, lost our innovative edge. Innovation, gentlemen, is a rare commodity in our company."

Jetley, Bhatia, and Kansal were dumfounded. Bhatia was the first to react. As the person directly responsible for the company's manufacturing and product development, it was evident that Narayanan's observation had stung. "What about Zap?" he stuttered, referring to the 60-cc step-through developed in-house in 1994. "It cost us Rs. 6 crore to develop the product, and we recovered this investment in 2 years. Had we not done this, and been content to live off Hideo's technology pool instead, we would have had to pay out around Rs 20 crore as technology fees..."

Kansal had been waiting for Bhatia to finish. "Remember our cost-cutting drive in 1992 ? Aftermonths of trying unsuccessfully to meet absolute targets, we decided to change our approach. And just focus on weeding out any activity that did not add value to the customer. We managed to save over Rs 100 in a 2-year period. That was an innovative master- stroke. How can you say we are not innovative ?"

Narayanan did not try to refuse what either of his functional heads said, but there was a smile in his voice as he answered: "We are not innovative, Rahul, and that includes me. These instances are from the past. In the last 2 years, I have not encountered a single path-breaking idea in this company. Have we been able to repeat the Zap experience ? Have we been able to innovate around our cost-management initiatives? No. We have not been able to indigenously develop a four-stroke motorcycle. And every time someone from our collaborators visits us, and speaks of kaizen or continuous improvement, I feel a twinge of guilt. How long has it been since a worker came up with an improvement technique, however marginal? How long has it been since one of us came up with an innovative way to say, beat the recession?. . . If this goes on, we could soon be dead. "

Kansal and Bhatia couldn't really argue with that. Busy with the details of actually managing the company on a day-to-day basis. neither had noticed the absence of the innovative spark. But what Narayanan was saying did, in hindsight, make sense.

"The only way to solve this problem," said Narayanan, "is to get someone to study it, and find out what is killing the innovative streak in our people and the company. That is what I want you to do."

He was looking at Jetley.

Four months latter, Jetley finally knew what was wrong.

The meeting was scheduled for 8:30 a.m. in a small conference-room adjoining Narayanan's office, but Jetley was there at 8:15 a.m., with a sheaf of slides and pre-prepared answers for the questions he knew, he would be asked. Kansal, Bhatia, and Narayanan walked in.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

"Ready ?" asked Narayanan.

Jetley nodded.

"Let's go."

Without a preamble—everyone knew why they were there— Jetley began. His first question was addressed to Narayanan.

"When do you believe the rot set in at Horizon ?"

"Top of my mind, I would say 1995."

"I think we have, somehow, lost our innovative edge. Innovation, gentlemen, has become a rare commodity in our company."

"1995, coincidentally, was also the year when we launched our TQM initiative, with the Iso-certification programme. This imposed a discipline on our people, and ensured that they conformed to pre-determined norms. On the flip side, it may have also created a bureaucracy of its own. It discouraged any attempt on the part of an individual to think outside-the box. We fared no better with TQM, which we adopted quickly thereafter.

I believe that there are several things wrong with TQM conceptual level. First, the focus is on gradual, incremental change. Second, by making team-work, consensus, and minimum confrontation the tripod of its ethos, TQM has cut off the roots of individual creativity, which drives innovation."

The first question came from Bhatia. "What, if I may ask, is the exact problem with TQM ?"

Jetley loaded another slide onto the projector. "You must "all be familiar with this. It is the self-assessment framework that forms the basis of our TQM efforts."

HORIZON'S SELF-ASSESSMENT FRAMEWORK

Process management	75	+	30	+	45	=	150
	Process management		Support services		Support services		
Human resources development	75	+	25	+	25	=	125
	Working conductions		Training & development		Employee setisfaction		
Business results	300	+	200	+	200	=	700
	Customer satisfaction		Finanacial performance		Marketshare		
Information management	40	+	25	+	55	=	120
	Selection / use of data		Benchmarking		Review of performance		
Customer focus	60	+	60			=	120
	Market knowledge		Relationship marking				
Strategic planning	60	+	60			=	120
	Strategic development		limplementation				
Leadership	90	+	45	+	30	=	165
	Leadership process		Boundary management		Corporate citizenship		
Total							1,500

"I know," interrupted Kansal, "and I remember receiving a memo last month that highlighted the fact that our score had increased from 600 points in 1996 to 850 points in 1998. . ."

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2023-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"...On a maximum score of 1,500," Jetley completed. "But, I suspect, the issue at Horizon is more fundamental. And the problem lies with the model that we have been using. Its parameters, and their weightages, have remained static over the past 3 years. I know that the weightages attached to the criteria for the Malcom Baldrige Award are changed at regular intervals to reflect the changing conditions. Aren't we stifling ourselves by sticking to the same parameters ?"

"You may have a point there," accepted Narayanan, "but do you have any other evidence to prove this?"

'"One of the highlights of a survey we conducted before launching our TQM drive was that customers wanted lower costs, higher quality, shorter delivery-schedules, and continuous product-innovations. That was when cost, quality, and shorter lead-times were the differentiators in the auto industry, and they became the prime objects of our attention. The between-the-lines conclusion that we all seem to have missed is that customers want not any one or two of these, but all 4. Not only did we ignore innovation, our success in the other areas has only eroded the innovativeness of our employees."

"If we are looking at the rigidity of TQM as a reason for the death of innovation, what about systems-driven approaches, like ABC (Activity-Based Costing) and BPR (Business Process Re-engineering), which we subsequently implemented?" asked Bhatia.

"I was just coming to that. I believe that it may not be possible to focus on innovation using techniques like TQM, BPR, and ABC. Innovation requires a unique culture, which none of these techniques may be able to provide. By burdening low volume new products with punitive levels of overhead, ABC poses a threat to innovation. True, it has enabled us to capture our costs with mathematical precision. But when you consider what it has done to innovation, I wonder if we did the right thing in adopting ABC ... "

"What about BPR?" prompted Kansal.

"BPR does not fare any better. Designed as an initiative which brings about the radical redesign of business processes through dramatic improvements it has its flip sides too. BPR has crippled the support functions at Horizon simply because those are always the most vulnerable to retrenchment. By fostering anxiety, and promoting a cautious approach, it has nipped creativity in the bud . How do we now undo the damage ? When it comes to that, you guess is as good as mine."

Narayanan was the first to congratulate Jetley. "I thinkyou may have hit upon the source of our problem, Ranjan. In our quest for quality, in our desire to perfect our processes, we could have created a system that stifles creativity in any form. Not overtly, but covertly, with our emphasis on cycle-times, the number of defects, and conformance. In the process, Horizon's culture has undergone a shift. I believe it is less-vibrant, and more sanitised than it was before we went in for these operational effectiveness improvement techniques. I am not saying that we haven't achieved anything with them, but the death of innovation is a most undesirable side-effect. What do we do now ?"

Do techniques like TQM, BPR, and ABC really stifle innovation ? Does their design inherently discourage innovation ? Is there a trade-off between change-initiatives and an organisation's power to innovate ? Or does the problem lie in the way Horizon has adopted these improvement techniques ? How can Narayanan ensure that Horizon regains its lost focus on innovation without losing whatever it has gained from its operational improvement initiatives? Will changing the parameters and the weightages assigned to them in the TQM self-assessment frame work help ? Or must Horizon forsake operational effectiveness in favour of chaotic innovation ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION 1

TQM AND INNOVATION

Using a static model of TQM is always dangerous. CEO Narayanan should focus Horizon's TQM program on a dynamic model—such as the Malcom Baldrige or European Quality Assurance (EQA) Models—which aims at achieving total business excellence. They are not static like the one used by Horizon; they are continuously upgraded on the basis of the learnings from best-in-class companies, and factor in changes in the external business environment. Business processes change on a regular basis, and can never remain the same, especially when the environment is in a state of flux. Most important, the criteria used by both models are non-prescriptive and, therefore, encourage companies to be highly creative, adaptive, and flexible.

In fact, both the Baldrige and the EQA Models have separate chapters focusing on innovation and creativity. Chapter 5 of the EQA Model, for instance, deals specifically with the identification and evaluation of critical success-factors. This includes specifics on how the organisation can focus the creative talent of its employees through improvements that are either incremental or breakthrough. It encourages the innovation of designs, technologies, and operating philosophies. Another important module of the models deals with the customer's changing perception of products, services, and customer relations. The strategy development process in Section 2.1 of the Malcom Baldrige Model, for instance, looks at an organisation's capability to create new opportunities, and evaluates its ability to innovate.

Clearly, there is no dichotomy between TQM and business excellence. And innovation and creativity are integral constituents of the latter. Horizon is, possibly, strong in manufacturing excellence, and weak in innovation. If the key focus in the company is to shift to innovation, the TQM model is flexible enough to provide for, and reflect the new thrust. A few appropriate changes in the assessment-framework can actually facilitate this. It is true that ISO 9000 imposes a certain discipline of conduct, and seeks conformity to certain norms. And it does generate a bureaucracy of its own. There is a tendency to over-document procedures and processes, often without examining their relevance to business results. This, of course, has the advantage of providing a quality focus to the entire organisation. The flip side is that it may stifle the creative talents of individuals, and not allow an organisation to realise the full potential of its people. The key is to move quickly out of this particular mode, even while consolidating the gains of the system, towards a dynamic model of business excellence.

Team-work is, indeed, the corner- stone of TQM. But, sometimes, people feel that consensus means the absence s of confrontation. This is not consensus, but a compromise, where one plus one equals one-and-half. It is only when individuals are forced to compromise that they become disillusioned with TQM . The best way to avoid this is to look EQM and at team-work as a synergistic process, where one plus one equals 10, 15, or even 100. A consensus based on synergy would entail brainstorming and valuing differences of opinion. It is only through such a mindset that you can encourage creativity. When you foster an environment which encourages an openness to new ideas and a willingness to accommodate different points of view, you automatically make room for the generation of breakthroughs. That is how organisations like Motorola, AT&T, and 3M develop new products and services regularly.

TQM is, basically, people-oriented. A culture that values performance, transparency, and candour is a pre-requisite for quality improvement. Narayanan and his team must realise that balance is of the essence irrespective of the nature of the change-initiative they adopt: TQM, BPR, or ABC. The moment you move to one extreme in any area, the balance tilts. Development in one area can only come at the cost of development in others. Companies where

CC-0. Panjab University. Digitized by eGangotri and Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

large-scale downsizing has been one of the modules of BPR have not been able to reap its benefits primarily, because the need for balance was ignored at some point of time. Even ABC, if carried to an extreme, stifles creativity and innovation. It is important not to pursue any change-initiative in isolation of the larger organisational concerns. Horizon should achieve a balance between cost, quality, delivery, and innovation, and it should work on all 4 parameters simultaneously.

Finally, a word on Horizon's self-assessment process. A score of 850 out of 1,500 works out to 56.67 per cent. Agreed, a good score but, in both the Baldrige and EQA models, such a score would indicate that Horizon has not reached the level of excellence. Food for thought for Narayanan.

POSSIBLE SOLUTION 2

Horizon has clearly travelled some distance into TQM. However, Narayanan has not, as an individual, moved with the times. His unstated approach seems to be that quality is "freedom from errors." This is a defensive approach, which characterises the early stages of TQM . At this stage, the focus is purely on the elimination of defects and the spike-points of customer dissatisfaction. As TQM establishes itself in the organisation, the focus gradually moves to the satisfaction of customers' needs—stated, latent, or anticipated. The focus is then on the creation of quality that attracts customers through product differentiation. Attractive quality is, sometimes, about improving an existing product but, most often, it is about innovation. Two instances: Konica finds that amateurs often forget to use the flash in their cameras. Result ? Autoflash. Komatsu finds a need for underwater earth-moving equipment. Result ? An underwater dredger.

At the same time, it cannot be denied that Narayanan 's concerns over the lack of innovation are genuine. But Jetley's analysis—which tars all change-initiatives with the same brush to suggest that all of them extract a price in terms of stymied innovation—is a bit off. ABC is a managerial tool and a good one; it is neutral to innovation. BPR is a technique which applies blue sky thinking; sometimes only to reinvent the wheel into something of a polygon. And BPR does nothing to institutionalise innovation. But TQM is different.

Innovation is an integral part of TQM'S ethos. It is a complete management approach, vastly different from what companies usually do with it. It creates a foundation of excellence that can nurture the pioneering spirit of entrepreneurs and the creative spirit of individuals, thereby unleashing the power of offence backed by defence. Horizon has, evidently, enhanced its defensive abilities. Now is the time for the company to introduce attractive quality by applying the template of TQM to new productdevelopment. Until then, there is no real TQM at Horizon.

I do not agree that it may not be possible to pursue innovation while simultaneously tackling issues related to quality and cost. In a sense, it is true that any change-initiative should begin by focusing on the elimination of waste; innovation in the absence of such a defensive-base will fail. But some of the most powerful innovations in products, technologies, and even management know-how have been made by companies that have adopted TQM. Toyota continues to innovate at an astonishing pace; it, is also the stable from where concepts like Just-In-Time, 5-S, and Cross-Functional Teams have evolved. Nippondenso is not only at the cutting-edge of technology, we owe to it the concepts of Early Stage Instability Control and, of course, TPM (Total Productive Maintenance). In the US, Xerox rejuvenated its new product-development through quality efforts, and gave us the tool of Benchmarking. In fact, innovations are more a rule than an exception in great TQM companies.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

It is a misconception that ISO 9000 discourages people from breaking away. Why blame ISO 9000 ? It is, after all, no more than a maintenance document. Improvement, let alone innovation, is not in its scope. Companies which freeze their standards without first learning to improve get stuck in bureaucracies. Equally wrong is the thinking that TQM focuses only on gradual, incremental changes, and that the process itself tends to be linear and predictable. In any case, what is wrong with small improvements ? Continuous and small improvement can, at times, mean quite fundamental changes. Toyota receives 2.50 million ideas ever year, which translate into 2.50 million acts of creativity.

Horizon's senior managers need to remind themselves that policy-deployment—one of the pillars of TQM—is concerned, essentially, with breakthroughs. TQM is founded on explicitly-stated principles which lead to 180-degree turn-arounds in the way things are done. The way vendor partnerships are built, for instance. Or the way team-spirit is promoted through active employee participation. TQM is about the uncompromising rejection of the quick-fix. TQM—and incremental and linear ? No way. TQM is a "thorough revolution," as Ishikawa said.

How can Horizon make innovation a part of its strategic policy ? Making innovation the organisation's theme may sound good, but it will achieve very little in terms of real ideas. Encouraging people to question the impossible, and moving the company beyond its existing boundaries is a good idea. Only, as CEO, it would help if Narayanan were to ask himself that question first of such questions are born great strategies. But it is not sufficient to say : back it up all the way. Horizon needs a management system to translate the breakthrough vision into a popular initiative in which everyone must participate. That mechanism is policy-deployment. Sending every employee to vendors, customers, and dealers once in a while is a good idea. But the organisation must assess if it has the capability to deal with customer needs. Otherwise, it will only breed cynicism--as TQM has.

POSSIBLE SOLUTION 3

Narayanan's apprehensions are misplaced . Change-initiatives like TQM, BPR, and ABC do not stifle innovation. On the contrary, they promote it. The belief that TQM brings about only incremental improvements is false. That it brings about incremental improvements at the cost of innovation is an even bigger fallacy. A close look at any TQM model will convince even the most die-hard unbelievers that innovative and incremental improvements can take place simultaneously in a TQM initiative. Both the Baldrige and EQA criteria encourage the adoption of innovative and incremental improvements in tandem. The Japanese have mastered this art to achieve competitive advantage.

It is important to understand that innovation requires capital investments while incrementai improvements happen with little, or no investments. Even while making investments for innovation, Japanese companies manage to achieve a positive performance-edge over their competitors through sustained incremental improvements. Clearly, companies like Horizon are unable to supplement incremental improvements with innovation. Over a period of time, this inability tends to reduce the impact of innovation on their business results.

Even the self-assessment model being followed at Horizon does have a provision for innovation. It is there in the fine-print. Evidently, Horizon—like most other companies that use a selfassessment template—has been liberal in scoring itself and has, in the process, ignored the small stuff. All Narayanan needs to do is to revisit the model, and consider 2 specific parameters: Leadership, and Strategic Planning, which have some bearing- on his own role as a change-agent. He should be firm about the pace of change he seeks.

This is where the Leadership parameter matters.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

At the same time, Narayanan should be clear about the direction the company should take to achieve this change— an area in which Strategic Planning comes into play. This module will help him decide whether Horizon should seek the incremental route or the innovative route or, as the Japanese do, a combination of both. There are a number of tools —like BPR, TQM, or ABC—that he could deploy in this context. The essence of a successful change-initiative is using the right tool for the right project. Let me highlight how these tools are interlinked, and how innovation is an integral part of all 3 :

1. TQM goes beyond product- and process-quality. It measures the quality of management as perceived by customers, employees, suppliers, shareholders, and the community. The parameter of process-management in most TQM models underlines both innovation and incremental improvement.
2. The focus of BPR is on delivering output faster, better, and cheaper. Usually, there is a strong element of infotech-intervention in BPR, which results in a simplified organisational structure that emphasises process-ownership in addition to functional-ownership. By its very nature, BPR facilitates innovation, and supplements the process-management element of TQM.
3. ABC is a tool that priorities opportunities for incremental improvement in TQM'S process-management. The eventual objective of ABC is better quality; cost-reduction is merely a by-product.

What is quality? You can look at it in 2 ways, one proactive, one reactive. The proactive approach defines quality from the customer's perspective. It expresses quality in terms of product features that attract a customer to purchase Company A's products in preference to those of Company B's. This demands an understanding of individual market segments, and requires innovative responses to change. The reactive approach expresses quality as freedom from deficiencies; its main objective is cost-reduction. In a reactive approach, it is the customer who chases a company, not with orders but with complaints. Clearly, it is the proactive approach to quality which should drive a change-initiative.

There is no compelling reason for Horizon to change the weightages assigned to the parameters in its TQM model. A few modifications in its assessment framework should do. What Narayanan should do, in addition, is to track business results for at least 3 years; compare them with those of the company's main competitors'; benchmark the practices of world-class companies; and invite a third party to conduct an assessment of the company. This will enable him to introduce an element of rigidity and objectivity into the framework.

POSSIBLE SOLUTION 4

It is imperative that a company implement change-initiatives while keeping the perspectives of value-creation and process simplification in mind. In a competitive market, where the customer has to be delighted, the real challenge of leadership lies in stimulating a drive for excellence in the organisation. Which should encompass all areas of business. What companies like Horizon need is a culture that is oriented towards the creation of customer- and shareholder-value. This can be done through efficiency-enhancement techniques— like TQM, ABC, and BPR—or growth initiatives—like value innovation, product launches, and diversification.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The impact of change-initiatives has been encouraging at Horizon, which has registered some progress on several parameters. But its focus on long-term growth has been limited. It is important to understand how and why this has happened. Therein lies the clue to Narayanan's disillusionment with the way things are. It has happened because the people in Horizon are driven, not by a common vision, but bysystems and structures. When individuals are driven by a shared sense of purpose, they are motivated to achieve higher levels of excellence. When they are driven by straight jacketed rules and regulations, they are, obviously, stifled.

What has happened at Horizon—and this is typical of most companies undergoing a transition—is that people are seeking comfort in their roles as prescribed by the prevailing systems. They are obsessed with self-preservation, concerned only about retaining their jobs, and, in the process, are unwilling to experiment. In fact, the limitations of techniques like TQM do not lie in the processes that constitute them, but in the environment in which they are deployed. Any change initiative creates some level of stress in the organisation. A company's reaction to change—which could vary from delight to disillusionment—is a function of the way in which it is handled. The only safeguard against disillusionment lies in the creation of an environment which respects the individual, and recognises his creative contribution. To my mind,

$$\text{Creativity} = \text{Inspiration} \times \text{Imagination} \times \text{Environment}$$

Note that it is a multiple. This means that if the contribution of any of the 3 elements is zero, the overall creativity of an organisation is zero. The most significant role of the senior management team is to provide an optimal organisational climate. Indeed, the only external factor in this equation is the organisational environment, the other 2 being specific to each individual and her level of competence. This approach is driven by the belief that, given the right environment, every employee is capable of being creative.

Therefore, apart from demonstrating a visible commitment to business results, the senior management should create enabling processes to ensure a culture of value-creation. In Horizon's case, this translates into 5 areas of action :

1. **Establishing a common understanding of each initiative :** At every available opportunity, the CEO and his team should reiterate the company's vision, and the strategic direction that the company is pursuing to realise that vision.

2. **Ensuring that people are ready for change-initiatives :** This will require employees to be trained in new skills pro-actively even before their existing skills become redundant.

3. **Incentivising employees, both monetarily and emotionally, for coming up with value-enhancing ideas :** The easiest way in which Narayanan can motivate his employees to come up with new ideas is to evolve a framework of incentives that recognises and rewards ideas.

4. **Instituting structured interaction sessions at various levels to solve problems :** This will help Narayanan create a climate of confidence that reinforces the belief that no problem, however big, is beyond resolution.

5. **Communicating the successes of value-creating initiatives as and when they occur :** A demonstrative evidence of success, however incremental, is the biggest motivator.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Implemented as a package, these steps will not only streamline the efficiency-enhancement techniques at Horizon, but also smoothen out the rough edges in their implementation. It should also be able to eliminate factors that seem to be inhibiting innovation. However, the issue of growth remains unanswered. This, as I see it, should be managed by non-hierarchical, empowered, cross-functional teams. Innovations do not happen in a day nor do they yield immediate results. But, when they do occur, the results are dramatic, and can take the organisation beyond its existing boundaries. It is imperative that Narayanan and his team launch a dedicated product-development drive to ensure that Horizon creates value in the long run.

ILLUSTRATION 43

SECRET ADVERSARY

Cuelo's brand of sanitary napkins, Lady, had fallen prey to the multinational brand Secret. Could the company revive the label ?

MADHUR Hegde was taken aback. Hemant Desai, the managing director of Cuelo India, was suggesting that Cuelo's brand of sanitary napkins, 'Lady', be phased out. "There's no hope for this brand," Desai said. "For two years we have been trying hard to revive Lady, but the loss appears to be permanent."

Lady, which had dominated the market for many years, had fallen prey to a new foreign brand, ' Secret', which had made a dramatic entry in the Indian market two years ago. Cuelo, a 70 years-old personal care company, manufactured deodorants, shampoos, hair oil, shaving products, hair removing creams and sanitary napkins. And it was losing marketshare in some of these products to new entrants.

But for Hegde, who had worked on many brands in his time, that was not reason enough to despair. "That still does not mean the end of the road for us," he said to Desai. "We have had a corporate image of being very reliable, high on quality since the early sixties. Why are we closing down a brand simply because we are losing volumes ?

"Volumes are what make a brand profitable, viable, don't forget," said the managing director.

"Sure, but when we launched Lady in 1972, it was not because we had volumes," said Hegde. "Then you said: ' Here is a consumer need, I will address it with Lady. Lady will replace the primitive methods used by women.' Today when the same woman has gone five steps ahead, why do we hesitate to continue addressing her needs? If Lady was based on addressing a consumer need, we stay with that strategy. Or we end up being seen as fuddy duddy as the brand itself."

"How then are you going to revive Lady" asked Desai.

"By making it dependable," said Hegde. "Dependable means 'it will work for you'. For that we need to find out what exactly a consumer is seeking from sanitary napkins. The launch cost has been incurred, the trust and faith was there, is still there, except that the brand is not contemporary. Therefore, we are also being seen as a company that is not

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"You must understand the market has become far too competitive," said Desai. "You forget Secret has decimated us in less than two years. And research has revealed how low the brand has slid in the consumer's esteem."

"The same research also said Cuelo is reputed, dependable, high on hygiene and quality," urged Hegde.

"But that did nothing for Lady, did it?" asked Desai. "What has that got to do with the brand ?"

"How else did Lady get a consumer following for 17 years?" asked Hegde.

"It was because the company also, stood for a lot. Our image gave the brand saliency. But what happened was that the consumer evolved, her needs were fine-tuned... maybe we did not keep in touch. She found that Secret met her new needs better. The point is, she is still saying that 'Cuelo is a good company, reliable...' but she adds, ' old-fashioned'. Isn't there something in that? Now I am saying, let us stop Lady's downslide, by making sure the product does evolve, by leve~g the corporate brand image.... I believe," went on Hegde, "that while the brand's attributes have lost significance in the consumer's mind, the significance of the corporate brand image continues to be salient."

Hegde was of the opinion that just as a brand spoke for the company, a company was also known by its brands. "Therefore, if we don't contemporarises Lady, its image will rub off on Cuelo and from there to all our other brands," he said.

And Cuelo did have a very solid reputation of being a sound company: dependable, honest and high on quality. It was one of the few Indian companies that had such an image.

Therefore, Hegde said 'All those attributes of good people, good company etc, have to be leveraged. When a consumer evaluates a brand today, she doesn't look merely at the product attributes or the benefits that it gives her. She looks at the overall impact of the corporate brand. Of what use is our reputation of trust and reliability when our competitor has shown that it is listening more carefully to the consumer ? What in fact happened was that Secret came in riding the foreign horse and said: 'Look I come from a foreign land where people are more progressive, more sophisticated and I served them and made them all happy. I stand for progress and sophistication. Wouldn't you use me ? Or would you rather be a fuddy duddy?" And that had fommed the core message of one of its advertising campaigns. This showed Brand X as being ,old-fashioned and Secret as modem and progressive.

Desai wouldn't agree. "If it was merely the gloss of a foreign brand, the detractors would have returned to Lady, can't you see?" he argued.

"Exactly," said Hegde. "So Secret offered more than a foreign tag. Every new brand has a trial stage, but a complete switch to a new brand happens only if your current brand has failed you in some way. That is what has happened with Lady. The consumer changed, her needs evolved, but the brand did not. The dissatisfaction with Lady was already there, except we did not notice it, but Secret did," said Hegde.

But Desai was not buying that argument. As far as he could see, it was a simple case of an Indian brand losing to the aspirational lure of a foreign brand.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Hegde disagreed once again. "We have grown to undermine the might of the Indian brands," he said. "Companies have proved it time and again. Take something as fundamental as salt. When Tata marketed salt, what it did was simply extend that clean, trustworthy, reliable, dependable' corporate image to yet another product. So, consumers who believed in the Tata name said : "I can trust this salt." Now when a formerly unknown business house like Captain Cook, or say Catch, came out with a new brand, those who bought it did so for the packaging convenience, not so much because they believed that the brand was trustworthy. That attribute can be built only by being around for years in the Indian market. It's not that the non-users of Captain Cook or Catch did not seek convenience. But they felt safer buying Tata because of its trustworthiness and reliability. Which explains why when a number of cottage sector brands marketed ginger and garlic paste, they couldn't find too many buyers. But the moment Kissan or Dabur did it, people said: "Yes, that name I know. They are people who have proven their goodness and honesty for 50 years,they won't let me down."

Hegde reiterated that for most Indian consumers, the corporate brandname stood for years of trust and honesty. The corporate brandname, when attached to a product, implied that 'it comes from good stock, from a company that has already found a position of honesty and reliability in the consumer's mind'.

"It is an asset which is part of each one of our brands," Hegde said. "Likewise, the people who buy Surf are not entirely influenced by its advertising. They choose Surf because they have trust in the brand, the corporate house, the proven track record of product research—which the brand personifies through its corporate lineage, its dependability They also feel : 'They won't let me down'."

"And how many people know which brand comes from which company ?" asked Desai.

"When companies like the Tatas, Godrej, Lever, Dabur or Cuelo have been around for 50 to 100 years, they do become household names. And when a company has been around that long, it means, it has what it takes to get consumer faith. Faith is what leads to sales or volumes. But building that faith takes years!" said Hegde.

"Doesn't that go for Secret, too ? Fleur Brook, its manufacturers, have been in the hygiene business internationally for over 100 years," pointed Desai.

"The equity that a brand builds for itself in a new market cannot only be a function of its international salience," explained Hegde. "It also depends on the credibility of the business house's operation and its stamina in India. If foreign lineage is all that matters, why did it take Kellogg eight years to gain acceptance in India ? Despite demoralising volumes, bad press about the product's relevance to Indian habits, its price... it stayed on and worked better and better, closer to the Indian consumer's needs."

It was that stamina, that staying power and that sustained drive to research consumer habits in India that enabled Kellogg to establish trust and faith in consumers, felt Hegde. " So when they put their biscuits on the shelf, we said, ' Hey, must be very good!' " he said.

Explaining his attraction, he said: "It's not as if I am in the market for fortified biscuits, but at the back of my mind is a little voice saying: ' This must have good ingredients in it. I am not going to find staple pins and pieces of thread inside, they would have run the flour through a million sieves before baking it...' That is how customer faith is built. And that was the motion behind my 'must be very good'. Of course, it also has to do with Kelloggs overall positioning of

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

its cereal as a health product, so that anything from the company will subconsciously be associated with health. But more than that, it is the sense of credibility which has set in. And it is that sense of credibility that powers sales, and that takes years to build. So if today Lady is losing, it is because consumer have lost faith in the product brand, not in the corporate brand," said Hegde. "So after spending 70 years building that wonderful equity called Cuelo, why do we want to give Lady up so easily ?" asked Hegde.

"Now that's not true, Madhur," cautioned Desai. "We worked very hard on Lady."

"But none of that was towards improving the brand itself. The changes we made were in its packaging its price, but the brand did not deliver on performance! "

"Now isn't that an extreme statement ?" asked Desai. "We have been in the market since 1972 and in every of those years till 1996 consumers bought the product, didn't they ? Secret entered in early 1996 and ever since its abrasive advertising campaign took off, Lady has been slipping ! "

Hegde didn't argue. That ad was a sore point with Desai. Instead he said : "Surf has been there since you and I were babies. It didn't get wiped out when Ariel was launched. When Vatika came, Parachute did not get decimated. When Liril came, Cinthol did not close down. Why ? Because all these brands had a great sense of activity around them. Now, that means something to a long-standing consumer. He could very well shift to a new brand with foreign parentage and aspirational attributes. The changing face of Surf constantly shows how much it is in touch with changing consumer needs, with changing fabric usages. A little tweak here, a little enhancement of fragrance, a touch of a highlighter... all that means the company has been watching and talking to consumers, finding out how needs are changing. It means the brand takes my needs seriously. The brand is always talking to me. It is subtly entering my laundry room, inspecting my linen, watching the accidents with clothes and going back and working on all that for me," said Hegde.

"Clearly, it was the advertising," argued Desai. "Sheer visibility—and that requires money."

"More than just that!" said Hegde emphatically. "For instance, I have never read Dabur's ad for ginger paste. But what did rgister was that it was from Dabur, a name I have grown to trust." he said.

According to Hegde, there was a difference between what a consumer believed about a brand and what the brand claimed about itself. The saliency of a brand in a consumer's mind or what a brand stood for to a consumer sometimes had less to do with brand attributes or its advertising proposition, he felt. " So, do I believe the *'Daag dhoondte reh jaoge ?'* value proposition ? The point is, I wasn't even looking for it. Of course, I have accidents with my clothes. My kids spill ink on their napkins and shirts, leave open felt pens on beds .... We live with some of these, we try and repair the others. But the need for such specific washes are so few that I am not likely to change my existing brand to one that swears it will remove ink stains. That is only *one* of my needs. My supreme need is a trustworthy detergent, one that is like an old family retainer who is dependable most of the time."

Staying with his detergent example, Hegde said that a good detergent was one that did not surprise him. "One that is consistent and credible," he added. "And that consistency and credibility cannot come from ad copy. Now, a new brand might come in and claim to be far

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

superior, but the reason for changing brands cannot simply be advertising propositions. Those are new claims. But I find that the old claims—that it is reliable, trustworthy, dependable—continue to be relevant. It wouldn't wony me if it didn't remove a stain, it's terrific 95% of the time any-way. Besides, I have evolved too. I use newer, more expensive, kinds of fabric, and the brand continues to give me the same value. It kept changing as I evolved. Where was such activity around Lady?" he now asked.

Desai was not convinced. He, too, recognised the value of a corporate image, but it was hard for him to accept that it could resurrect a dying brand like Lady. However much a brand evolved, and whatever its lineage, a foreign brand did take away marketshares, he felt.

"I am hardly implying you will have 100% loyalty," said Hegde. "Why, even I buy Ariel whenever I can't find Surf in my local store. I do think it is a good detergent, but the point is, I return to my old brand soon." Hegde felt that the quality of a brand lay more on its periphery than witnin it—in its raw materials or components. Apart from distinct benefits and attributes, consumers need to have a baseline level of needs satisfied. They need an assurance that their faith in the brand does not go away. And that faith, he felt, lay in the image of the company behind the brand.

"For the same reason," he continued, "if Surf wt to be sold tomorrow to another company, I won't feel the same way about it. That is because more than the brand Surf, what I am buying is the corporate image of the present manufacturer, which is a function of its having guarded the brand for 75 years. So, what I am buying is not Surf the brand, but Surf from Hindustan Lever. Do you see?" he asked.

That kind of consumer faith took years to build, said Hegde, and was not something that could be overlooked. It was an asset which lent assurance, he felt. "Which is why," he continued," if Hindustan Lever launched another detergent in a lower price bracket, more than the price, it would be the underlying message of dependability that will ensure the brand's success in the market. Its pick-up rate will be faster than that of, say, a new foreign brand."

Hegde was emphatic that Cuelo's corporate image needed to be leveraged to save Lady, "We have a stellar image of being a reputed business house since the fifties ; we were a household name. That faith has been shaken by the entry of Secret. The difference was stark—in technology in packaging, in presentation, in communication, and, of course, in performance. But we did not react to the changing needs, because we did not even realise that changes were taking place. We thought consumers were buying Secret because it was foreign and glossy What we failed to realise was that the consumer bought it, because it addressed every one of her needs. Many of us raised the price bogey, the Indian culture bogey to defend our halo—but theywere just that, bogies. Even when our marketshare dropped by 50% we said : 'The market is growing, more are converting to sanitary napkins.' And we worked aggressively on increasing our share, our volumes, by directing our attention to trade margins. But the retailer cannot push what the consumer does not want !"

And a consumer poll had elicited just these responses : 'Lady is fuddy duddy. Secret is more happening. It truly works for me.' One 16-year-old said : "I am not influenced by what my moths uses. She uses Lady; but I chose Secret. It's what my friends use." "That puts our perceived image succinctly," pointed Hegde. "So, rather than despairing, let's go back to the drawing board with a menu of consumer needs."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"Is that going to bring back those who have shifted to Secret?" asked Desai. "This is a category where images once lost stay lost for a long time, if not forever. Which means we will only be losing every rupee of investment in the product redevelopment," he said. But Hegde disagreed once again. In fact, he was optimistic about the brand's prospects. "By its very nature, a sanitary napkin is one product category which can find new users every day, unlike a detergent where new users are typically converts, but not new users. When I married, I started buying my own detergent, but that did not make me a ew user What simply happened is, the cost shifted now to me. My mother bought less, I bought my share separately. But in sanitary napkins, there are new entrants in the usage category every day. It is this segment of first-time users we will focus on aggressively through communication. Because, understand, a 12-year-old girl will initially use the brand which her mother recommends. But she also experiences her new maturity and will want to develop her own viewpoint. At the same time, she is also very keen to understand this new phenomenon. So she will watch all the ads and hear the messages carefully. At this stage, she carries no baggage about the product's performance, not even the deteriorating image because she never was in that market before. Even if her 16-year-old sister swears by Secret, this young lass will want to view every ad on every brand carefully and form her own opinion. Mind you, for this 12-year-old, even her 16-year-old sister may be a fuddy duddy ! The brand that speaks to her the best is the one she will choose. Don't forget, just like her 16-year-old sister who uses the brand her friends use, this 12-year-old will want to use the brand her peers use. So, we simply go about targeting this new segment, continuously, aggressively. And what will hold us in good stead will be our 70 year-old image of dependability."

"And how do you expect this 12-year old to carry any image of Cuelo or its reliability, dependability ?" asked Desai, who was not willing to buy Hegde's line of defence for Lady.

"Hasn't she used our hair oil, our shampoo ? And she continues to use our hair oil, because it is a tradition handed down over generations!"

"But you just said sanitary napkins are different. Her 16-year-old sister uses Secret even if her mother is still using Lady. Sanitary napkins are about peer buying behaviour. Women are not going to buy the product because their mother used it, too," argued Desai.

"Fair enough. So, we will work on peer behaviour, based solidly on our 70-year-old image," said Hegde. "At 12, the young girl will want a brand she can trust, and her mother will still be there to endorse Lady. We need to contemporrise Lady, make the brand dependable and modem and leverage the trusted name that is Cuelo. We will, therefore, give the new users and the market a solid reason for choosing Lady over the other brands ."

POSSIBLE SOLUTION 1

CASE ANALYSIS[1]
THE LADY VANISHES

The case study raises several interesting points about the relationship between "company" or "corporate" brands and "product" brands, and how their images affect each other. However, before looking at the specifics of Cuelo's case, I'd like to make a few conceptual points. (As a professor of mine used to say: "There's nothing more practical than a good theoretical basis").

[1] This case analysis has been made by, Anand Halve who is an alumnus of the Indian Institute of Management (Ahmedabad) with over 20 years of experience at Lintas, Clarion and Enterprise. He is currently executive director, Quadrant Communications, a member of the Interpublic World wide Group of companies.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

1. Linkages between corporate brands and product brands : Perhaps the very first thing to consider is the strength of the linkage between the two. This strength would obviously be highest when a company maintains and reinforces the corporate brand, actually stays away from creating strong product brands, and, at most, creates 'product brands' which function as quasi-descriptors or identifiers of different products.

This approach is likely to best suit companies which operate in a single category (or closely related multiple categories). The computer, automobile, telecom and pharmaccutical industries provide good illustrations. Here are some examples of companies from these, taken from the 1999 Fortune list of America's most admired companies. Computers : IBM, Hewlett-Packard, Dell, Sun Microsystems, Compaq. Telecom : Sprint, Ameritech, AT & T, US West. Pharmaceuticals: Pfizer, Merck, Warner-Lambert, Abbott. Automobiles: Ford, General Motors, Toyota, Chrysler.

Many of these strong corporate brands do not even have 'product brands'. Even in cases where they do have product brands, as in the automobiles and pharmaceutical sectors, the corporate brand is still very strong. This is because in these categories it is important for customers that there exist a common, underpinning of trust or technology, which is provided by the corporate brand.

On the other hand, this approach is not the best for companies in industries such as soaps and cosmetics or foods. Here are examples of companies from these industries, again selected from the Fortune list quoted earlier. Soaps and cosmetics : Procter & Gamble, Gillette, Colgate-Palmolive, Unilever, Alberto-Culver. Foods: Nestle, Sara Lee, ConAgra, RJR Nabisco, Bestfoods.

These companies operate in multiple categories and develop specific 'product brands' with little or no linkage to the corporate brand. This is because the customers in such categories do not seek an underlying commonality across products or consider it less important.

Therefore, Lesson No. 1 : The effectiveness—and value—of leveraging corporate brands depends on the degree to which customers seek underlying commonalties, which can be used by the corporate brand.

2. Corporate-brand values : The second issue to consider is the set of associations acquired by the corporate brand. Whether through active effort or by default, the corporate brand will come to represent certain values, a certain acceptable range of price-value offerings and a certain personality. Think for a moment what associations come to your mind when you think of Lakme, Bajaj, Mahindra or Britannia. These corporate brand values provide an anchor for the company, and can be a strength in many ways. But like any anchor they also limit the range within which the corporate brand can operate.

Toyota represented high quality, no-complaints, mid priced cars in the US a few years ago. However, this very anchor made it difficult for the Toyota brand to compete with the Mercedes and BMW luxury brands, and the company had to create the Lexus brand.

Closer home, Dabur has strong associations with ayurvedic products, foods and health, but not beauty. The Samara range, therefore, is linked to the Dabur brand only in the write-in address. And you will not find the Lakme name linked with Elle 18.

Therefore, Lesson No. 2 : The length of the anchor chain must be taken into account in deciding what linkage can be built between the corporate and product brands.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. **What is the age of your brand ?** Hegde and Desai discuss whether Cuelo India, at 70 years, is "old-fashioned" and "not contemporary" and whether it is "reliable" and "solid", almost as if characteristics such as contemporaneity and reliability are mutually exclusive. Let us ; look at brands which have clearly proven that that is not so. Lux is still modem, gorgeous and has a lovely complexion at 80 (or is it 90?). And BMW is as stylish and sexy as it was decades ago.

It is simply a question of whether the brand has been "working out" enough to remain relevant and in tune with the changing times. And this means changing both the performance characteristics and the appearance/style characteristics of the brand. In fact older brands have the advantage of customer familiarity, and it is the new brands that have to work hard to gain that acceptance. Most of the strongest brands in the world are over 50 years old: Coca Cola, Sony, Mercedes, Vicks, Horlicks.

Therefore, Lesson No. 3 : Brands, like people, are only as old or young as they look and act. And brands can be both young and trusted.

4. **Desai's Dilemma :** Frankly, Hegde seem to be very confused and it seems unlikely that he can solve Desai's dilemma. At various stages, Hegde speaks of "retuming to one's brand" (Surf versus Ariel); about "buying not Surf the brand, but Surf from Lever"; about, on the one hand, a 16-year-old choosing Secret "because that's what her friends use" and on the other of using "50 years of imagery" to target her 12-year-old sister (you can't have it both ways, Hegde !), and about expecting this to work because the 12-year-old "uses our hair oil and shampoo". (It's not very clear whether the brandname for all these products is the same, but it would seem not to be so).

The simple truth is that 'Lady' has done little over the years to improve its functional performance, and customers have found Secret a better product. No amount of reliance on trust or dependability is going to change that. Perhaps 'Lady' has a few years of life in her among older users who find its performance satisfactory. But clearly it is time to start working on product upgradation. Perhaps there is an opportunity for a variant of the brand, targeted at younger users whose performance needs can be met by the current product. But Hegde does not seem to have learnt the lessons on corporate and product brands which are all around us, and I don't think they're going to be able to nurse the Lady back to health.

POSSIBLE SOLUTION 2

CASE ANALYSIS[2]
LOOK FOR A GREAT USP

I QUITE see Desai's viewpoint when he says that it is volumes that make a brand profitable and viable. Unexceptionable, this—the bottomline is the ultimate truth. However, more often than not, the metrics available are at best inadequate to judge the bottomline impact. Desai's dilemma is really this : will the brand revival cost be compensated by future income streams, accounting for the advantages of the rub-off this may have on other Cuelo brands? Can it be done ?

---

[2]This case analysis has been made by Rohtash Mal who is an alumnus of the Indian Institute of Technology (Delhi) and the Indian Institute of Management (Calcutta). He is currently chief general manager (marketing and sales) at Maruti Udyog.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Let's look at the facts. For one, all Cuelo products have a feminine touch—save, of course, the shaving cream—most are losing marketshare to the competition despite a claim to a sound, dependable image, and have not evolved along with the evolving consumer. There is evidence even now of Cuelo grappling with what todays consumer needs from sanitary napkins. Both Desai and Hedge are locked into this dependable/reputable/quality image debate, hoping that leveraging the corporate image will revive declining fortunes. With Lady, it's just not a question of volume or marketshare losses; it is a wipe-out situation. Desai seems to believe that Lady lost out to international gloss—at best a naive assumption. I am certain that when Hegde proposes that leveraging corporate virtues may just do the trick, he is not banking on this in isolation without pressing all other marketing mix levers.

A corporate's prime responsibility is to continually rejuvenate its brands—ever evolving, ever changing, ever so subtly —to keep mortality at bay. The younger the brands are, the more profitable they are. And when brands are rejuvenated, one can expect current consumers' loyalty to increase sharply —enhancing not only their personal consumption but also creating a ripple consumption effect on those around them. Let's admit it: aging brands have aged marketers behind them. Little wonder that Lady got decimated.

We must examine the relationship that a brand has with the consumer. The pillars of this relationship are the value proposition and the brand's credibility. A dissonance on brand credibility can quickly damage volumes and shares—even more so when you are talking of personal products such as sanitary napkins. In Lady's context, is it credible to expect an evolved customer to align herself with an unevolved brand ? I think not. Is the value proposition, firstly on pure functional benefits, adequate? There is enough evidence to suggest that it is not so—Hedge still wonders as to what the consumer really wants. Then, what of the emotional benefits from the brand ? Does the brand personality, communication etc, adequately make the emotional take-away satisfying ? Again, evidence suggests that isn't the case. The consumer needs to see in the brand her own reflection in the aspirational sense. I also see no evidence of any work done on the brand physique and personality—critical inputs while extending the youth phase of brands.

Let's look at today's woman and see how she has changed since the time Lady first came in almost two decades ago. She has evolved, and how. Far more confident, assured, outgoing, assertive and self-detemiining. More than that, there has been a sea-change in her lifestyle. Always on the move, far more physically active, and not inclined to change her routine and activities anytime during the month. I'd say this was a classic case of a product needing to evolve continuously with an ever-evolving consumer.

It appears that Secret was the first to communicate the 'I care for you' message to the consumel. To me Secret's secret is great timing and being "clued in", inadvertently or otherwise, to an evolved level on consumer needs . And when the reigning brand performs sub-optimally, it can only be a rout—winner takes all. Of course, the international gloss/Aook/feel would have helped Secret. Lady will have to overcome this.

What Lady needs to do is go far beyond a "push" strategy. Consumers will not be "pushed" into buying. To rejuvenate Lady or not has to be decided by an analysis of some basics .

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Firstly, in product perfommance terms, Lady needs to be aligned to the needs of today's woman along all dimensions— and it has to establish a USP here. Hedge, while talking about detergents, misses the point when he says that the '*Daag dhoondte reh jaoge*' claim is not really important. It is not because the consumer was not seeking this benefit, it is because the appeal encapsulates, and goes beyond, all that the consumer is seeking. If a detergent can remove stubborn stains, it will in any case do the elementary task of washing clothes. In this case, a simple, powerful and credible claim can subsume all— what else is a great USP? Lady should look for one such USP.

Hegde rightly suggests that Lady has got locked into being Mama's brand. It's time, Mr. Desai, to stretch a few more nets across the river with perhaps a Young Lady. Hegde must examine brand extensions to take in all segments from 12 years onwards, with catchments all along the age continuum with their own salience and appeal. He should then work out a changed product personality, keeping it contemporary, while retaining a significant portion of the brand's identity. Evaluating now along classical dimensions, Hegde will have to conclude what volumes to aim for to see whether resurrecting the brand is indeed financially viable.

The issue of leveraging the 'good company' image runs through Desai and Hedge's toing-and-froing. Sure it's important, but let's not overplay it. The brand is paramount—all else is secondary. If Cuelo's image were indeed 'leveragable', things would not have been so dismal. Cuelo may have a 'nice guy' image, but what is it doing for the bottomline ? I would prefer to believe that dhe sigma and plus of all brands create dhe corporate brand, not so much the other way around. And then in this case, using the 'nice guy' lever is like telling the customer : ' I'm a regular chap, buy my wares'. The consumer will buy from the devil himself, if the product delivers on all fronts. The pedigree is certainly important, but in the pecking order it has to follow a great product, memorable communication and brand salience.

ILLUSTRATION 44

RIP VAN RAILWAYS

Once the lifeline of the nation's development, the Indian Railways are now finding it difficult to compete with the road transport sector. How can it recover lost ground ?

Kaushik Raman let out a whistle as he read the report in t the newspaper : the Indian Railways had introduced a new Rajdhani train between Delhi and Patna. The train had been readied within 10 days by using coaches from other Rajdhani trains.

"Why do we need another train on this route. Won't it affect the cargo movement on this already choked corridor ?" he asked his father, Raghavendra Raman, who had recently retired from the railways after 36 years of service. "Is anybody evaluating the cost-benefits of every new train ? The Delhi-Chennai Rajdhani was introduced at a phenomenal cost but runs only 70% full; all other Rajdhanis run to full capacity," he said.

However, the senior Raman staunchly defended the railways. He felt that many new trains had to be introduced to ensure equitable economic development. 'All parts of the country have to grow even if some do not assure retums or revenues to the railways," he said. Kaushik didn't buy the argument. He felt that after 36 years of service, his father's perspective was blinkered.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

It was an ongoing debate between father and son. Its roots lay in a setback suffered by Kaushik's company, Reshra Motors, because of a delay in delivery by the railways. Two years ago, a senior railway manager had urged Reshra to transport its cars by rail to Mumbai for onward export. "We'll modify some old coaches for your transport needs and charge you an attractive price," he had said. That worked for a year. But late last year, a large export consignment of Reshra cars was stuck outside Mumbai for 36 hours. "A 36-hour delay can cost me myo rder," Kaushik had said.

This month, an aggressive team from Calvin Road Runners, a global major in truck transport, made a two-hour presentation to Reshra. The Calvin team pointed out how Reshra could lower its transportation costs by using trucks. At the end of the presentation; Reshra switched from rail to road.

The whole thing was very disturbing for Kaushik. "You have a tough competitor in Calvin," he told his fathel "Calvin will steadily woo away other corporate clients from the rail tracks. Today, distribution has become the lifeline of companies and is a crucial factor in the competitive market. Everyone is talking about distribution management, and economy in freight and transport costs," he said.

Kaushik felt that the railways had ignored not only the small parcel segment of the freight business, but also large cargoes like automobiles and engineering goods. "In a growing market, the small parcel segment has the greatest potential. But the Indian Railways did not have the foresight to gear themselves to this growing market," said Kaushik.

The senior Raman was quick to defend his organisation. "Foresight presupposes control over the present and over one's investment decisions," he said. "The people in charge in the railways knowwhere the revenue opportunities lie but aren't adequately empowered to tap them." The Indian Railways, he said, were a departmental undertaking that functioned under the railway ministry. Usually, ministries were supported by a secretariat that took decisions . But the railway ministry was the only one that did not have a secretariat. Instead, it had a railway board—consisting of heads of the various departments of the railways—that reported to the railway minister.

Kaushik felt that this mixing of roles of the minister, the ministry and the board was at the root of the problems faced by the railways. His father agreed. During his 36 years of service, the father had seen how railway ministers overruled the decisions of the board or issued diktats that could not be vetoed by the board.

Yet, the railways were an operationally sound organisation and their efficiency had consistently improved over the years. Howeve, their share of freight traffic had also dropped drastically over the years, though there was little concern over this in the organisation. In 1981, the railways had a 61% share of freight traffic. Now it was only 35%. Worse, profitable segments like small parcels were fast shifting to the roadways, while the bulky, high-cost and low-revenue segments like food grain and cement remained with the railways.

"The unique thing about the Indian Railways is that they are both a commercial organisation as well as a ministry," said the father. Like the postal department, they were perceived as a development agent of the government. "But in that glorious role as a development agent, the Indian Railways lost sight of their commercial motive and their market-share began to drop."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Other government-run sectors like banking, too, had to meet social obligations like opening branches in unprofitable markets and extending subsidised loans to priority sectors like agriculture. Yet, the banking sector had evolved and become competitive, felt Kaushik. "There is a difference," explained the senior Raman. "In 1991, when many sectors went through regulatory changes, the policies were changed to enable the banking sector to take decisions based on commercial viability. The Indian Railways got no such freedom. On the other hand, central support was withdrawn, and competition did not come ina he said.

The father felt that since there was no competitive pressure, the railways had no impetus to improve. "There is no accountability as far as revenue earnings are concerned. There's somebody to ensure that the trains are running and the electricity is on, but nobody ensures that revenue flows in. The parameter of performance is tonnage, not tonne-kilometre. The general manager in charge of a zone is not given a revenue target but a tonnage target. What this means is that if he is carrying lowpriced traffic, he can still meet his tonnage target. Distance does not matter, and he could even be focusing on short-haul routes as long as he meets his target," said the senior Raman.

The railways were not in touch with the market, the competition or the consumer, felt Kaushik. Wlth the introduction of national permits for trucks, and freer flow of inter-state truck movements, the share of road transport in freight traffic was steadily increasing. The transport market itself was changing in composition. The share of bulk goods movement in the total transport was coming down and the share of lighter goods, or small parcels as they were called, was fast increasing.

The real issue, according to Kaushik, was that the railways had not tried to redefine their role and were stuck with their post-independence goal as an agent of national development and as the pivot of all industrial activity. Those were the days when the nation's infrastructure was still in a nascent stage. At that time, coal accounted for 60-70% of all goods movement since most of the core mdustries relied on coal as a key fuel. Besides, at that time, there was not much soap or detergent or toothpaste to move.

"The Indian Railways should have surveyed the economic climate and forecast how the composition of produaion would change, studied the customers' supply chain needs and helped the consumer goods industry grow even faster," said Kaushik. "How would have such a survey helped when there is a resource crunch' asked his father. "The Indian Railways are not a multinational with deep pockets. We have to provide subsidised services, enable priority sector development, be the arm of the government and not even seek budgetary support or compensation from the exchequer. Yet we continue to perform in the face of a deep financial crisis," he said.

Indeed, budgetary support to the organisation had been reduced from 75% in the mid-seventies to 15% now. The whittling down caused a severe shortage of funds. "Since budgetary support was not forth-coming, the railways decided to survive the crisis by optimising their asset utilisation," his father explained. But there was a problem. They could not shift the focus to consumer items. At the end of the day, they were still transporting bulk coal because that was the lifeline of the nation's industry. Carrying noodles or toothpaste would mean saying no to coal or delaying it by a few days.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

"The Indian Railways were a social service agent," reiterated the senior Raman. "We had to carry coal, cement and fertilisers and we had to subsidise passenger traffic and the public distribution system. We could carry noodles so long as it didn't affect the movement of coal," he said. "So, how could the Indian Railways function along commercial lines and also meet their varied social obligations?"

He had a valid point. "We are forced to run loss-making lines which are poorly patronised, but the government does not compensate us. These are not our chosen objectives, they are the goals of the government. But we are the arm of the government —an arm without blood supply."

That set Kaushik wondering. If there really was a funds problem, he thought, why did the railway ministry want to add six new zones to the existing nine? Every new zone would cost upwards of Rs. 150 crore. 'Agreed that the government is not supporting your losses. Nevertheless, you can go in for maximum profits by focusing on a sales mix and tariff policy. On the one hand, you are forcing customers to move their cargo traffic by longer routes, as between Raipur and Vishakhapatnam. And on the other, you go and put new lines in areas like the northeast which has minimal traffic," the son told the senior Raman.

Kaushik had seen that passenger traffic was given priority over goods movement. In Mumbai, for instance, the increased frequency of suburban trains had forced freight trains to ply only during non-peak hours. This restricted movement amd compression of time for goods trains made logistics planning a virtual nightmare. Other inefficiencies dogged freight traffic. Passenger trains were always given movement priority over freight trains. It took almost two hours for a freight train to reach a speed of 40 kmph because the locomotives were so poor. "If it keeps stopping every 20 minutes to let a passenger train pass, how can it move faster ?" asked Kaushik. In the age of the Bullet Trains and Shatabdis, the average speed of a goods train was 18.3 kmph on broad gauge and 15.5 kmph on meter gauge.

Kaushik was baffled by this step motherly treatment to freight, especially when 65% of the railways' revenues came from cargo. Passenger traffic, which accounted for 60% of all rail traffic, contributed only 35% to the organisation's coffers. "While passengers are extended a 25-50% subsidy, freight traffic is being charged 40% more than what it costs to carry goods. Hindustan Lever would never overprice money-spinning products like Lifebuoy or Rin like this."

Kaushik felt that fares needed to be restructured to make passenger traffic pay for itself. He had read that Rs. 1,300 crore could be freed for fresh investment by the railways if uneconomic routes were closed down. "In my opinion, it would result in enormous energy savings for the country if passenger traffic could be diverted to roads," said Kaushik.

Indeed, road traffic was gradually eclipsing rail traffic. "The subsidy on diesel has made road traffic very cheap. Naturally, cargo customers are now slowly shifting to the roadways," Kaushik said. The figures were astounding. "The railways are losing a 5% share of freight traffic and a 7% share of passenger traffic to the roadways every year. This is a stunning example of an organisation clocking negative growth even though demand for its services outstrips supply," Kaushik said.

His father nodded sagely. He had seen many of those numbers before. Yet, he could not ignore the core mission of the railways. "Numbers and logic have a place in commercial evaluation, but when you are the backbone of the nation's economy and have a funds crisis, you must service the bulk traffic movement and forget everything else."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

To Kaushik, that seemed like a short-term view. "But some day you have to identify your growth segments and revisit your objectives. When there was a crisis, you pared your activities. But when the market grew, you did not scale yourself up. Naturally, you will lose your share," he said. "You did not build customer vision or market intelligence," continued Kaushik. "That customer vision would be there if the railways see the freight business as a critical segment," he said.

"If I were at the Indian Railways, and investments were not possible anywhere, I would have ensured that we at least continued to invest in the four metros, doubling the line or trebling it between these four quadrilaterals since 75% of all goods movement was between these areas. There would have been a happy merger of rail and road. The roads could have reached the rail points and then the railways could have carried on. In fact, Calvin is coming in to capture exactly this gap," said Kaushik.

Few, however, saw this gap. In the past 10 years, 600 new trains were introduced without augmenting track capacity. This surge in passenger trains displaced freight traffic. Small wonder that the growth in freight had been stagnating at 10 million tonnes annually, while passenger traffic had surpassed the target. The high-density corridors that serviced the nation had, by now, become big enough to be separate railway systems. Kaushik saw this as am opportunity for the roadways to step in a bigway.

There were other problems also. The continued cross-subsidisation of passenger traffic by freight traffic had hindered the growth of the railways. Even in freight traffic, the movement of goods meant for the public distribution system was heavily subsidised. 'There are social obligations that cannot be ignored. The combined social burden of subsidising passenger traffic and the public distribution system works out to Rs. 2,900 crore. The world over, this is compensated for by the government. In India, however, the government refuses to do so. Even the World Bank has highlighted this," said the father.

Kaushik also found the passenger tariff policy terribly lopsided. On the one hand, short-distance passenger traffic services were eroding the capacity as well as profitability of the system, and the railways were not raising the fares. On the other hand, long-distance inter-city express fares had been mercilessly increased.

The more he thought about it, the more disheartened he felt. For nearly a century, the railways had enabled the growth and industrialisation of the country. Such growth came because the railways had the finest professionals. "But all that will be lost if you don't have a leadership that can hold the reins and navigate this monolith towards greater heights, away from the quagmire of high costs and tardy profits. You need to redraft your vision. You need to look 50 years ahead and ask what the business we are in is," Kaushik told his father.

The opportunities in the marketplace were many and Kaushik felt that the Indian Railways needed to sharpen their vision to perceive them. "You can leverage your strengths to run certain services along fixed routes. Your strength is in running point-to-point services. You move 3,000 tonnes of cargo at one go; it will take 150 trucks to do that. If you tie up with road operators to pick it up from your destination for onward despatch, the Indian Railways will become a door-to-door despatch company. You set up a logistics company that can ensure the goods movement and reach. Logistics has become a specialist business for which you need management information systems amd backup systems," he said.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The railways depended heavily on coal for their revenue. The biggest coal traffic was form the east to the north to feed the power stations. But now coal was being imported and the pattern of supply had changed. As a consequence of liberalisation, the man sitting m Punjab was now importing his coal needs. But he sought prompt delivey. "Earlier, you did not have the technology that would cata to long-distance power transmission," continued Kaushik. "Since transmission could only be short-distance, coal was sent long distance and power was produced at centres of consumption. Now international long distance transmission technology is here. It has become expensive to carry coal over a long distance and transmit power over a short distance. Power plants would rather carry coal over a short distance and transmit power over a long distance. The movement of coal will therefore, come down. The coal belts in Orissa, Bihar and Madhya Pradesh will now have more power plants which will be distributing power across the national grid. If you have that kind of a change coming, you are not just competing with the roadways but with the power grids as well. So, what happens to asset utilisation and profitability ?" he asked.

The father smiled sadly "We simply need to recognise our strengths and capitalise on them. For example, operations are out key strength. When a Rajdhani train carrying 800 passengers moves from New Delhi to Mumbai, 1,100 people have to do their job right for the train to reach on time. If you count every signal man who has to do his job, every control room that must get its moves right, that's 1,100 pairs of hands that have gone into making that departure and arrival correct. All that is done manually. It still works on *'lal jhanda'* (red flag). That is no mean task and even if anything does go wrong we have a system where even the top man gets to know of an accident in about four minutes," he said.

But he was optimistic about the future. "If the railways decide to wake up and pull themselves up by the bootstraps, everybody in the competition arena is in trouble. Calvin and its ilk will then have to treat the railways as a partner and not a competitor. They will have to have a strategic alliance. When a giant sleeps, all the mice run around and nibble at whatever cheese they can find. When it wakes up, it will achieve something in a much shorter time than what any other player would take. This is because of the tremendous strength the railways have built over the years which begs to be used effectively."

Initially, the Indian Railways were a popularist vehicle meant to generate employment and there was hardly any motivation. But over time, the organisation had built a very strong human resource department which was seen as one of the best. That subtle backroom operation was instrumental in creating that reverence for systems, for execution and for holding the vast operating team together.

The railways moved 5-6 million passengers every day across 7,000 stations, which were the marketing and distribution points. Each station manager was effectively a salesman for his area, with the difference that while he saw his marketshare dropping, he was unable to do anything about it . For instance, if a company switched to road transport, there was nothing a station manager could do. And that was simply because he did not think it was his job to wean his customers back.

The father was confident that the moment of realisation was not very far away. "If the Indian Railways wake up to the truth that faces them, they they could simply depress the prices by offering to sell their products cheaper," he said. "Then Calvin, which is presenting itself as

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

a category substitute, will have to show that its trucks are better than those of Telco or Ashok Leyland. The fight will then move away from a category share of the endre transport sector to a more specialised one of just the trucking business. It will then revert to brand-level competition and may even lead them to partnering the railways. Right now, it is exciting because the two categories are competing with each other," he said.

But Kaushik was not so sure. He felt that the Indian Railways were in a precarious condition. "You have got to prioritise your menu of growth options," said Kaushik. "What is the Indian Railways' priority ? Passenger traffic ? Goods traffic ? Line electrification ? Asset utilisation ? There is no clear focus. Your focus shifts with every change in government. Who is assessing how much these frequent shifts in focus are costing the exchequer ? You need a chief executive who has avision that goes beyond personal aggrandizement. The singular aberration I see is the absence of a target-driven performance appraisal system."

Kaushik was comparing the railways with the corporate sector. "New CEOs replace the old, but the company's vision does not change. The vision has to be the organisation's, not the individual's. It changes with market dynamics. But look at the railways. With every change in leadership, the railways have shifted their focus—from electrification to employment generation to new zones and then to new trains. The railways' philosophy is watered down with every new leader at the political level. The focus should not be on gauge conversion or network expansion, but on capacity expansion."

Kaushik, with his textbook aggression to tap every opportunity, was trying hard to shatter his father's optimism in the inherent strengths of the Indian Railways. While the father firmly believed that the Indian Railways must continue to be the bul-wark of the nation's development, Kaushik was demanding an all new vision sculptured by market dynamics. Would the father's faith be shaken by the aggressive Calvins?

POSSIBLE SOLUTION 1

CASE ANALYSIS[3]
TIE UP WITH ROADWAYS

The questions addressed by the case study have been a topic of discussion for a long time now. The Calvins are not a new breed. They have been there for the past five decades and have slowly, but steadily, eroded the share of the Indian Railways. Raman's optimism that the Indian Railways can regain their glory and become a key player in the freight sector cannot be overlooked, given their latent strengths. But nor can Kaushik's textbook aggression for opportunity be undermined.

The Indian Railways are the lifeline of the country, both for passenger and cargo traffic. Today, the Indian Railways are estimated to carry 35% of the total freight volume of the country, down from 75-80% in the fifties. The reasons for this decline have been multifarious, many of which have been expressed in the case study. There are socialist reasons, organisational constraints and political dimensions to this debacle, which have all fuelled the

[3] In this case analysis has been made by Vineet Agarwal who is an executive at Transport Corporation of India. A graduate in economics and industrial management from Carnegie Mellon University US, he has been working with the company for the past three years.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

growth of the road freight industry The developmental strategy followed by the Indian Railways was good when the country was still in its infancy. But can they go on any longer ? Shouldn't the Indian Railways change their focus and corporatise to compete ?

What has the Indian road freight sector done to achieve this astounding growth ? Today, the road freight sector is one of the most competitive, with more than 25,000 companies operating from every nook and corner in the country. The success of the road cargo industry has been due to its ability to transform itself at every stage of our country's evolution. Certain government policies like high depreciation on trucks, minimum formalities and low capital cost of trucks have resulted in the growth of transport operators. The road sector also provides benefits to the customer, like door-to-door accessibility, shorter lead times, lower costs, simplified paperwork, a market-driven approach, plus value added services.

In the present age of lean and mean organisations, no company is willing to accept service failures. To be globally competitive, to monitor I and reduce lead time, minimise inventory and waste, and to offer a high level of service at the lowest price is not only any organisation's mission but also a national agenda. Given their lack of organisational priorities, the Indian Railways today are in no position to provide services that are time bound and economically viable. Therefore, the aggression of the road sector is essentially fuelled by the inability of the Indian Railways to respond to the needs of customers.

In the recent past, companies dealing with the Indian Railways have had unpleasant experiences. Delays, large numbes of trans-shipment points, poor handling techniques, thefts, bureaucracy and, most importantly, non-competitive prices have diverted traffic to the roadways. So far, the goal has been to maximise tonnage and complete targets, whether there is any profitability or not. Many a time, road transport organisations have offered dedicated cargo to the Indian Railways and made proposals for long-term alliances, but they have never received the necessary cooperation. The response to Own-Wagon and BOLT (Build-Own-LeaseTransfer) schemes has been limited to high volume users like cement and steel companies. The Indian Railways and the domestic road freight sector are viewed as competitors. In fact, creating a platform to work together can augment the effectiveness of both the sectors.

There can be no denying the advantages of utilising the railways for cargo movement. This is done globally, where both sectors work to provide superior services to their customers. As mentioned, one rail track can ease the congestion of 150 trucks on the roads. This by no means is a threat to the road cargo industry as it will only increase the efficiency of cargo movement by road. Certain specialised segments like car transportation and movement of oil and industrial gases can easily be jointly undertaken by both the sectors.

The Indian Railways need to segregate the railway ministry and the governing board and create a separate product group to handle freight and logistics. Only selective privatisation can bring about operational efficiency and growth. This group should be headed by professionals from this field and given autonomous control over operations so that coordination with oths government agencies is effective. Invitees from the service industry and actual users should be part of the board. The objective of this division should be to maximise revenue and asset utilisation and operate as a profit centre.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

In order to broaden its customer and product base, the railways need to tie up with a national road cargo organisation. This will not only provide the necessary door-to-door reach but also increase asset utilisation. They would need to sell this concept as a product with attractive ssvice features. This, however, depends on whether the Indian Railways evolve and think like a modern corporation and provide the required customer service and management information systems.

The Indian Railways have made substantial investments in information technology by providing computerised ticketing and other services related to passengers satisfaction. Similar investments should be made also in technology for real-time tracking and tracing all freight movements. This would increase both accountability and customer satisfaction.

In all, the Indian Railways and the road freight sector can provide an extremely attractive stage for a mutually beneficial relationship as well as a high level of customer service. The Indian Railways have always been the envy of all countries for their fantastic network and asset base, but their bane has been poor management and misplaced priorities.

It is time the organisation began to think outwards and accepted the demands of the Indian freight sector to be a globally competitive giant.

POSSIBLE SOLUTION 2

CASE ANALYSIS[4]
WAKE UP THE GIANT

This case perhaps offers an opportunity to Ted Levitt to revisit his famous article 'Marketing Myopia' which was based largely on the case of US railroads. The Indian Railways seem to be hurtling in the same direction.

Few of the world's railways are run on commercial lines because government management often leads to non-market interventions. However, in the changed economic situation and fast-changing logistics, the Indian Railways must commercialise their operations. The soons the better.

There are three basic issues to be addressed:

1. VISION : COMMITMENT FROM THE TOP

The Indian Railways need to set a clear and far-sighted vision for themselves. This vision should shape all their strategies and actions. The top management and leadership must shape this vision and commit itself to achieving it. This has to be the starting point. The turn around case of Steel Authority of India which had similar government interventions is an ideal example to cite when talking of what a vision and committed leadership can achieve for an organisation.

The Indian Railways should launch "Operation Change" from the coming financial year. The key decisionmakers should free themselves from day-to-day operations and spend 80% of the first six months in strategising and shaping the future vision. The second half should be spent in communicating and passing the new mandate down to the rank and file.

This should be the beginning of the end of the giant's sleep.

---

[4] In this case analysis has been made by Rashmi Chandra who is a manager at consultancy firm A.E Ferguson & Co. She deals with marketing, transportation and logistics.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. CUSTOMER FOCUS

If the Indian Railways are consistently losing market share, yet have been bettering their performance, operationally and otherwise, clearly the issue is: who is the beneficiary ? If the beneficiary is the customer, their marketshare would not have declined. There seems to be a lack of customer focus at the railways. Customer focus does not necessarily impinge on their social goals, but should help in prioritising their resource allocation.

In a resource crunch, the focus should be on improving the resource base. This can be done through effective market segmentation and linking pricing strategies to the class of service and segment.

The Indian Railways need to shift from product-driven marketing to consumer satisfaction-driven marketing. This will ensure that market leadership is restored and sustained. This is the only way in which the railways will be able to generate sustainable streams of income to meet both revenue and capital expenses. Government support to the railways has declined to 15% of capital expenses from over 75% earlier. The only alternative is to generate revenue streams from the multiple consumer segments that the Indian Railways address.

Moreover, a market-oriented plan for a societal marketing organisation like the Indian Railways is able to build inherent checks and balances for meeting social obligations along with commercial needs.

To set their marketing objective, the Indian Railways need to frrst segment the total transportation market by value and volume and chart out key origin and destination points. They then have to set clear targets for each segment and ensure that the revenue maximisation objective is met through effectively addressing the high-yield segments. Their strengths no doubt lie in moving bulk cargo point-to-point but because a large share of the market needs customised desk-to-desk, non-bulk service, the Indian Railways need to forge strategic alliances with the roadways and companies like Calvin.

The Indian Railways should move into complete logistics management for the top 200 companies in the country, set up a dialogue with each of these companies, understand their logistics (inbound and outbound), and offer multimodal solutions.

The railways have distinctive strengths which need to be channeled for them to become an aggressive market player. For instance, they have a disciplined operational team and excellent managerial resources. These are the two critical human resource requirements for sound strategising (by managers) and effective implementation.

3. PRO-ACTIVE COMPETITION

One malaise that the Indian Railways have been suffering from is that they operate in a completely monopolistic environment with no perceived competitive threats from within or outside. Given their huge 108,513 km long network and one of the highest track densities in the world, track management in itself can be a core business operation. In the present structure, the Indian Railways are managing too many operations—track management, freight transportation, passenger transportation, equipment manufacture and so on. There are several zones, each with its unique characteristics and desparate business opportunities.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

To inculcate a sense of competition and to improve allround efficiency, the Indian Railways should be broken up into three or even more corporations, each of which should be gradually privatised.

For example, there can be a Track Corporation which should essentially focus on creating new track opportunities for itself and enhancing the per km profitability. Anybody who wants to use the track—for example, Freight Corporation or Passenger Corporation—then pays a user fee and competes for track usage. These corporations could then focus on maximising the profitability for each coach or wagon accordingly.

In the corporatisation of the Indian Railways, a clear-cut understanding should be reached with the government on how to commercialise passenger services, the extent of subsidies, cross-subsidies and compensation.

ILLUSTRATION 45

MAN OR MACHINE

An anguished corporate wife writes an impassioned letter to her husband's chairman on how the stresses and pressures of work are taking their toll

The chairman,
Teffer India,
Mumbai

Dear Mr. Chibber,

Thank you very much for the wonderful farewell you gave us last evening. We have been given many farewells in the past, as we moved from one city to another, from one division to another. But this one will have a lasting impact, probably because we are leaving the country this time. I will certainly miss the lovely people at Teffer, people who will stay with you for many years. These people, like Shuklaji who give every moment of their lives to further the cause of Teffer. I despair about them as I will be leaving them when India is going through some testing times, professionally. And it is with these people in mind that I want to leave with you some thoughts to ponder over. We have known each other for very long now and that gives me the courage to voice some concerns which I am sure you will think about. As you often say, Teffer puts its people first, then its products and processes.

I was amazed how many people had such wonderful things to say about my husband. I know people usually say the right things at farewells, but I knew what I heard yesterday was not feigned. I am so happy that my husband means so much to all of you, what a critical part of the organisation he is. I am also very happy to know how much he is loved and cared for. I do believe that it is the sum total of all the love one gets that goes on to become a blessing.

As a wife I do get to meet a number of your managers from time to time, but they have been simple social encounters. Yesterday brought to the fore Shuklaji's professional profile very sharply. For me he has been just a husband, not a senior vicepresident. May be what Mr. Bhalla said is true : "Wives need to be told how good their husbands are, because they won't believe it otherwise." He evoked a lot of laughter, but there was some truth in that statement. In all my 17 years with Shuklaji not once have I or my children judged him on his

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

performance, his upward mobility at Teffer or what he brings home . To a large extent I think Shuklaji himself has contributed to that ethos, because he rarely discusses his organisation at home. I would read about the brand wars, about high court judgments, about your mergers, in the papers but I learnt nothing from Shuklaji. Because that's how he is. He does not like to bring the workplace home.

My interaction with other managers has been merely at a social level and chats confined to my children's lives, my music and the counselling centre I run at home. But last evening when everybody said such wonderful things about Shuklaji I realised how little of his life we got to share ! Of the 15 working hours in a day, Shuklaji spends 10 hours at office, one hour commuting. Of the remaining four hours which he spends at home, close to two hours are spent on the telephone, which leaves us just two hours of his time (which these days are taken up by interviews to the press). Isn't that amazing ? It must be worse in your case ! No wonder then that the people whom he worked with are affected by his attention and care, and more people benefit from his time.

This brings to mind what another wife once confided. Apparently her husband's secretary once told her in jest : "Please send him to work in a good mood, or he gets irritable the whole day with all of us." She was taken aback. "Whom do I call and tell, 'Please keep the stresses and pressures low at work or else he comes home and growls at all of us'?" she asked tearfully I wonder if life was like this earlier I hardly expect Shuklaji to help in the kitchen; he always looks tired and worn out. So much so that when the kids hear his car, they whisper, "Dad's back", not "Yay ! Dad's back!" My responses have also altered with the changing times. Today when Shuklaji comes home, I don't ask him: "Did you have a nice day ?" That sounds farfetched. Instead, I ask him : "Was the merger signed ?"

Mr. Chibber, there is far too much stress building up at work, which infects an otherwise peaceful family life. Have you noticed that ? Fortunately, Shuklaji is not a short-tempered person; when he is stressed, he remains silent. But my friend's husband, who heads a beverage company, has become very irritable. So much so that when his daughter hears his car in the driveway, the little girl rushes about putting her toys away, switching off the television, all the 'extra' lights and fans and waits on tiptoe behind the curtain gauging her father's mood when he enters the house. Now isn't that sad ? What is happening to us ? Mr. Chibber, what happened to the days when fathers and children rushed into each others arms ? Last month, and this one is very telling, a seven-year-old boy was brought to me by his mother. The boy had started using a number of abusive words, none of which he understands, but certainly realises are very powerful. During later sessions with the boy I learnt he wants to be a 'big manager' like his father when he grows up. And he demonstrated that by picking up my telephone and yelling : "Get the xxxx crates moving if you want to save your xxx." Clearly, the boy's father does most of his dynamic sales reviews over dinner. The point is, that man was never known to ever talk like that ! "It's happened to him over the past few years," his wife says.

Shuklaji also says: "How tough these times are". When he has a chance, he tells the boys: "Your life ahead is going to be very tough. Nothing is going to come to you on a platter. It's for you to grab the opportunity and run, keep your nose to the grindstone and slog like a horse." I am frightened when I hear this. Should we scare our children with our own my opic view of life ? I know he means well when he says: "Kanta, I see the bloodshed every day ; what you learnt yesterday is useless tomorrow. You have to be on your guard, awake, alert and watchful."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The last time I heard that kind of words was when I my grandmother recounted to us her memories of Partition. For managers like Shuklaji life has become one long guerrilla war. They are always watchful, cautious. My brother, who is 50, is going to Wharton for a two-month refresher course this month, just when his youngest son is taking the class ten board exams. "Can't it wait Dad?" he pleaded, but my brother, who was trying to lighten the moment, said : "Darling, if I wait, there will be no college for you to go to." Exaggerated it may have been, but it struck me that our preoccupation with success is reaching diabolic proportions .

Success is nice, who doesn't want it ? But what I fear is, will there be left any bonding based on love ? Someone told my son yesterday : "Become a great man like your father." What if my son does not become as great as his father ? Will we all still love him ?

How time flies ! Seventeen years ! And it seems like yesterday when I got married to Shuklaji. He was then just confirmed after his three-year training and you were his new divisional head ! Today you are the chairman, and Shuklaji is being posted to the Asia-Pacific office as the group head for market operations. These are successful events in your lives and I am sure both of you worked very hard for it. Yesterday, in your farewell speech you said: "Behind every successful man there is a woman..." Please do not misunderstand what I am about to say, but that sentence jars.

Because I can't see how I could have contributed to his success. He is on a whirlwind rush between one goal and the next. All I do is sit and watch the panoramic view, like surfing channels on television. The staccato changes of goals, the sudden highs and lows—I don't understand his world anymore. During the past four years, even though we are all together, we are not in reality together. I manage the house, the boys' education, I fix light bulbs, leaking faucets, fight with MTNL negotiated the sale of our land in Delhi drive my boys to Cooperate for their cricket coaching and maths tuitions, scour the city for size ten shoes, wait up at night praying that the older one returns safely after a Bon Jovi concert, sit chin up at a meeting with my younger one's head master who tells me : "Mrs Shukla, your son spends Hindi class launching paper missiles stuck to chewing gum !" Shuklaji has been very busy, I could hardly meet him to discuss my problems.

But all that is fine, I suppose. Most mothers are doing all that and much more these days. But still, we are grass widows. I have barely any time to handle the variety of problems at home, where am I going to find the time to enable Shuklaji's success ? I don't even know what he is chasing.

He has succeeded single handedly. Alone. Just as his sons are working at their success alone. Mr Chibber, I am not complaining, I am only worried, deeply worried about what is happening to men like Shuklaji. Fortunately, he is with Teffer, which is a caring organisation. You have invested tremendously in his growth and development. In the last seven years alone, Shuklaji has been to 15 management development programmes. He knows so much about his work and he is always at it. But I wonder if he knows enough about his sons.

Two months ago my younger boy won the Bournvita Quiz Contest. It was on TV but Shuklaji was in Thailand. We taped it for him, but he hasn't had the chance to see it. It's been one thing after another. First it was the orientation for this new position for which he had to fly back to Bangkok. The day he came back, there was the annual review, so he went to the office straight from the airport to work on his presentation. The next morning he was leaving for Sri Lanka for a new launch conference. When he returned after four days, the directors from New Jersey were here and all of you went off to Goa for a week.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

It's been like that for as long as I can remember. The corporate train never stops. But you know, it wasn't like this even as recently as four years ago ? We did spend some evenings together. We attended family weddings together, we even celebrated our wedding annivesary. During the past two years, we haven't been together even on his birthday. I wonder about the quality of the life people like Shuklaji are leading. What do they get out of life ? One rung up every year ? Does that make up for missing out the compassion and presence of one's own family ? In November last year his sister's daughter was getting married. Shuklaji had sworn he would take the day off. But as luck would have it, the previous day the sale of 'Amigo' to Delaware went into court. Shuklaji returned after 36 hours, well after the *doli* had left !

Shuklaji's parents feel very bad about him. He works so hard to be able to give us a good life, they say. True. But what about him ? He has severe acidity. What that means is he is down to fruit for breakfast and bland food at other times. But how can a diet help, if your lifestyle is wrong to start with ?

Take December last year. The purchase of Megalo was being negotiated. For three whole weeks he came home in the middle of the night. Then some legal issue stalled the acquisition. And my older son explained the details to me. I was surprised. How could Teffer have problems, I thought. Then there was bad press and he was caught up with that. One thing or the other kept him high strung till February end when the deal fell through. Just as I thought, at last some peace, the deal was hot again. Again he went through the rush and tumble of courts, registrars and God knows what else. He came home with huge reams of paper, and worked on his laptop every night. Suddenly he was off to France to discuss the deal. He came back after a week only to enter the whirl of annual appraisals. And right in the midst of that came that horrible incident of the Foods Directorate's accusation on quality. For six weeks the battle went on from newspaper to court to damage control.

Doesn't that sound like some non-stop thriller ? If just watching him was so exhausting, I wonder what he must feel when he is assailed by so many emotions and mood swings ! We never see him; during the last three years, we have seen more of him in the press. Every other day there is some newspaper correspondent intruding on our dinner. The interviews are longer than the quotes. Last week one correspondent stayed on till 11.30 p.m. Now that is really too much ! Later I learnt he used the opportunity to also research some article he was doing on brand value. Shuklaji felt he had to help the lad. "After all Teffer has grown some terrific brands; the experience must be passed on," he said. Ever since the Megalo takeover, he has come to be known as a takeover artiste. A new tag. So there are now TV channels interviewing him, chat shows, breakfast shows... And if it is not these, he has seminars to attend, syndicates to facilitate, all kinds of fora where he is called to deliver lectures... all that means four days a week of media interaction.

Yesterday I asked Dhiren Bakshi, your HR director, whether all this was simply a function of Shuklaji's seniority. What he said provides some food for thought. He said : "Naturally the media will approach the senior and the successful, but there is also this growing need among professionals to market themselves as products."

What is happening is that the individual has lost complete sense of his personal identity and related roles and become a complete corporate product. His time is completely devoted to preparing the 'product', shining it, polishing it and presenting it to the world and being pre-occupied with how he comes across to his audience—be it the board, his team, trade bodies, or the general public.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In the process, the professional ends up being more of an enigma than a person and is unwittingly continuously 'working' on the image. Like Ranjiv Mittal who had to drag himself away last night to attend some bureaucrat's daughter's wedding. Why ? Because, as he said : "The chaps from Dennet, Tylo, Argie will all be there. Teffer will stand out if I don't go."

I could see Ranjiv's dilemma—he is so caught up in this whole image circuit. Competitive warfare has found new battle grounds. Why, even we have been victims of this imagery. Our social life has become so hectic that I have to actually maintain a diary ! We are constantly being invited for some event or the other. Some of these become difficult to refuse, because we have to maintain an image. I am sure you know how stressful this can be.

Can you feel the heightened pitch of competition ? What I see and hear today is a different mosaic of feelings, far different from the simple tapestry of the past. And frankly, I don't think this has anything to do with Shuklaji's career progression, but the general environment. There seems to be a mad rush; everyone is rushing to get somewhere, destination unknown.. Even the reasons are different. Ten-fifteen years ago, people worked hard to become successful, to be seen as good, for increments and that odd promotion. Today, every year could take you up two rungs. Managers work harder to *remain* successful, salient, relevant. Even companies are working harder to grow bigger and bigger, there are new markets, new channels, new partners, more acquisitions, more mergers, new ventures.... The pre-occupation is with 'getting there before the competition does'.

So today's managers like Shuklaji are working to keep the company highly successful. The company's success is their success. Training programmes are being devised to make every trainee a better packaged product, smarter, cleverel.. but only professionally. Meanwhile, the individuals have lost their way: they climb mountains, some reach the top and realise they have climbed the wrong mountain, others scale newer heights, onward and upward, leaving behind their individuality. People hereafter are going to be harder hit when they retire, because their feeling of self-worth will drop from a higher plane.

Two months ago, a lady who works with me was heading for a breakdown. On probing, I learnt the family was unable to cope with the imminent relocation of the father to another city "I am not sure if we should live separately. I can't displace my kids at this stage in their schooling and my husband agrees," she wept. But did he, Mr Sharma, agree in his heart ? What he told me was very painful. "I know it is very hard on the kids to be displaced like this. I have thought about it and am willing to chase my career alone. Yes, I will miss them. But at least they will have continuity... I wonder if I am doing the right thing, I will miss out on so much of their growth..."

I asked him : "Will you lose your job if you decline the transfer ?" "No, I won't lose my job. But I will get stuck. My growth will be stunted. These days, youngsters coming out of campus are pitching for the managing director's post ! It's like being on a treadmill that is running at 80 kmph. If you try and match the pace, your heart is going to pack up. I don't know if I am emotionally ready for that sacrifice. I could get bitter. Then again, for how long will my company also agree to my terms ? There are so many others like me. If everyone says no to a

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

transfer, what will happen to the company we built ? You can't blame the company—business has to grow. It either helps me grow or helps itself grow. The choice is clear. But is giving it all up a solution ? Then what happens to my family ? Okay, for three or four years I will coast along with a halo around my head as the real man who could look opportunity in the eye and say : 'Thanks, but, no thanks'. Then what happens to my future?" he asked.

I could see his dilemma. More than that, I saw his pain. The pain of a father who in today's times must be ready to be separated from his family. Shuklaji comes home late every night, but he comes home. He is there on call. But what about men who relocate alone ? I can read Sharma's mind. He is probably saying: "It's not my company's fault. It's not even my family's fault that they find this transfer inconvenient. It's my fault that I want to run this race..." Sharma and his family know that what he earns is valuable. The creature comforts he has provided is certainly helping the family. And sustaining that comfort has now come to mean distancing the bread winner from the beneficiaries. Careers must go on, bread and even jam must be earned, but the need to keep up the charade is killing people. Like a long-running soap opera that refuses to end, with new angles and twists in the plot to keep the serial on air. And that is the stress I am referring to. Of course, many families have made optimal arrangements. Like a friend who runs a successful cosmetics company lives alone while his family is in a different city. But isn't such an arrangement born out of a desire to appear agile and successful in a world that recognises only the runners and not the others ?

What is happening is managers today are losing touch with themselves and their true nature. The pre-occupation with the trappings of life have dulled their senses. That is not to say that companies must not grow or men must not seek growth. But I ask, doesn't all this hurt you ? Would you be happy with a manager who rakes in the volumes but sits alone at night missing his family ?

I am not talking of loneliness. I am talking of the missed paragraphs in life. The point is, many of them do not even realise it. They keep hoping things will change. Mean while, I ask you, is there something you can do to make it all bearable ? I don't know what it could be. But if you can manoeuvre the cleverest of takeovers, surely you can take care of the human emotion through the organisation. You need to stay in touch with the manager's feelings, find solutions so that the human quality in a manager is not destroyed. I really don't know how or what you will do. But this is what I want to leave with you, to think about. Can we save our managers ? If Teffer has been successful all these years, they say it was because the managers never lost their human quality. I fear that quality is being slowly eroded. In some distant period in the future, they will unearth the ruins of our civilisation and conclude : Man in the 21st century AD had lost the ability to use his amygdala, the seat of human emotions..."

With best wishes,

Mrs. Kanta Shukla

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION 1

GET OFF THE TREADMILL[5]

The Shukla's dilemma can be approached from two distinct standpoints. On a mundane, pragmatic level, you can perhaps do a little tinkering. Is he delegating enough, is he prioritising enough, could he be managing his time better and so on. But let us assume that Shuklaji is a highly competent and nature professional who is aware of these possibilities and has pretty much exhausted them.

Shuklaji like most of us, has many roles in his life—manager, husband, father, and this is possibly the most vital one, an individual seeking some form of self-actualisation. Other than the manager's role, he doesn't seem to be hitting the button much. Which leaves us with the considerably more difficult question that Mrs. Shukla raises—what do we as a society do about managers who are 'losing touch with themselves and their true nature' simply due to the pressures of work ? Perhaps it is time to take a long view and ask some simple but uncomfortable questions like the Little Prince.

Is economic activity everything ? Why is ceaseless growth such a holy cow ? Why is it so important to introduce that thirtythird flavour of toothpaste that is electric blue and contains some obscure, unpronounceable chemical ? I am not putting forward a brief for a utopian Luddism but when spouses begin to write long letters to chairmen, perhaps it is time for us to re-examine same things that we take for granted ! The conventional argument runs thus if the new toothpaste wasn't launched, someone else would do it, we would lose marketshare, sooner or later we'd be seen as an old fuddy-duddy toothpaste manufacturer and be avoided by the 'consumer' (a giant, indigestion-proof caterpillar-like being whose singleminded objective in life is to keep ingesting one product after another). So if the company has to exist, that toothpaste simply has to be launched. Sadly, this is true. So unless we, as consumers, do not get off this consumerist treadmill, the demon will demand a Shuklaji as sacrifice each day (the case does not mention coronary disease but that would be the classic walk-into the-sunset ending for this film).

Perhaps it is time for us to look at Schumacher's Buddhist economics, which aspires to per capita happiness (goods and services upon desire) rather than per capita GDP. This is no mean task ; it's certainly something that will take generations to accomplish. So what ? If each of us could inspire our children to want less and to be wary of need breeding advertising, perhaps some future Shuklajis can be saved.

While this long process is on, what do companies like Teffer do to help their managers in the here and now ? Unfortunately, many actions are likely to affect bottomlines in the short term but that is the price of maintaining your most valuable assets. It's time we recognised this.

---

[5] This case analysis has been made by ATUL Mathur who has over 15 years experience in consultancy finance and advertising. For the past two years, he has been running a Development Training organisation in Panchgani, Maharashtra where adventure and the outdoors are employed to achieve corporate training goals such as team-building, leadership skills and personal development.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

For Teffer what actions would this translate into ? For one, get Shuklaji some help—this One-Two-Three rule really needs to be trashed (this rule dictates you hire one person, pay him the wages of two, and make him do the work of three). Institute perhaps a 'shadow' system for all key managers — someone who constantly works alongside the manager and thereby is able to take on some load within 'earshot' of Shuklaji. It's also a fantastic succession plan.

I'm sorry if this sounds like a word from the sponsors, but an interesting way of involving spouses instead of alienating them could be to include them in an annual management development programme. This should deal exclusively with behavioural issues and, ideally, should be in the outdoors. It becomes a great opportunity for both to reflect, take a hold on their lives, and to initiate action plans for personal growth. This is not meant to be a families picnic since the programme consciously identifies and engages problem areas in a serious, deliberate manner.

From Shuklaji's perspective, the subtle yet unfulfilled demands of even such an understanding family can build up guilt which in itself can be a source of tension. Clearly, these demands need to be met. This would necessitate some sacrifice on the work front—a meeting missed, a press interview ducked. It's a tough call but an essential one.

The easiest question to handle perhaps is the issue of whether Shuklaji really enjoys his work and feels that he is growing as an individual. This, after all, is man's *raison d'etre*. If he does, happiness. If he doesn't, he's obviously getting nothing out of his daily grind. He needs to act quickly and move to another function closer to his dream. There's only one life.

POSSIBLE SOLUTION 2

A CASE OF WRONG VALUES[6]

Mrs. Kanta Shukla's letter to Mr. Chibber, chairman of Teffer India, is not only about the pressures of the contemporary business environment, it is also about life choices and meaningful activity.

As I read the case study I was reminded of an experience I had in the early eighties while teaching at a hotel in Srinagar. An elderly couple—both dignified-looking and impeccably dressed—sat at a table close to mine at breakfast, lunch and dinner. For the three days I was there I neyer saw or heard them talking to one another.

I just had to know why two people—obviously married to each other for a long time—did not converse. On my last day at the hotel I asked them. The old gentleman did not reply but just looked at me with deep sadness in his eyes. His wife said: "My husband retired five years ago after two extensions. He was a high-ranking government servant—very powerful and very busy. During the 40 years of his working life, I hardly saw him. We have a son and a daughter, both settled abroad. They visit us every two years. But neither they nor I know what to talk to him about. I guess he is a stranger to us." While she spoke, her husband sat there slowly nodding.

---

[6] This case analysis has been made by Zahid Gangjee who heads a Calcutta-based human resource and organisational development consultancy firm. He headed the manpower development group at ITC and was the senior vice-president (human resources) at the Essar Group.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

So it seems that the situation in which Kanta finds herself is not only the result of today's intensely competitive and fast changing world. Nor is it confined to the 'materialistic' world of commercial organisations. It is more an outcome of the values we hold and the behaviours we choose. Let me elaborate :

We know that our 'values' (strongly held beliefs, personal 'truths') shape our attitudes, which predispose us towards choosing certain behaviours. What is lesser known is that if we continue to exhibit certain behaviours that are not liked over a period of time, we end up valuing them ! Therefore, the 'trick' seems to be to hold on to what we believe in and not to let the world change our basic values. For most people this is very difficult, for their behaviours are governed more by what the 'outside world' wants, holds desirable or recognises.

People who lead happy lives seem to have skills in three areas: career, partnering and parenting. What does Kanta see happening in all *three* areas ?

1. **Career :** This seems to be the area that almost fills the life-space of Shuklaji and his colleagues (like Ranjiv Mittal). Kanta has calculated that Shuklaji spends two hours a day with the family and that too mainly by himself. This focus on one area has some unplanned consequences. With the passage of years, there is "this growing need among ; professionals to market themselves as products," says Dhiren Bakshi, Teffer's HR director. If one has 'objectified' one's self, the body doesn't matter. Shuklaji has 'severe acidity' and is confined to eating 'fruits and bland food'. Yet he will not change his lifestyle. Furthermore, by spending so much time in the 'battlefield' of industry, Shuklaji's world view is of warfare and he has a 'siege mentality'. Ironically, research is increasingly proving that successful top-level managers are those who have high emotional intelligence. Yet Shuklaji (and his ilk) is losing his "ability to use his amygdala, the seat of human emotions".

2. **Partnering :** Kanta and Shuklaji do seem to be living separate lives. Inadvertently, she has colluded in this separation by keeping him out of the kitchen ("he's too tired"), a place where they could have worked and talked together.

Shuklaji too, does not want to dump his load on Kanta, so he does not share his office realities or burdens with her. She sees herself as a 'grass widow' — someone whose husband is alive but is not there. No relationship remains static. As individuals change, the relationship has to be worked on for people to remain connected. But Shuklaji has missed too many of the 'milestones' and 'paragraphs' of their life—birthdays, anniversaries, family weddings.

3. **Parenting :** The media has recently been highlighting some of the 'new' behaviour of youth today. Serious crime— murder, dacoity, rape etc.—is being committed mainly by people under 30 from affluent or upper middle class homes. They want it all and they want it now. An article on sex in the nineties shows the relationship as a barter with defined rules and mandatory packaging—he must have a Maruti muscles and lots of money ; she must have a good figure, speak and dance well, and so on. Relationships are about consuming and moving on. Is there a connection between what is happening with youth today and the parenting processes that are highlighted in Kanta's letter?

The Shuklas' two sons are growing up in a world where their main role model is exhorting them to 'grab the opportunity and run', where his own lifestyle gives the message that only material success matters, that love is conditional. Kanta wonders that if her son doesn't become a success like his father, "will we all still love him ?"

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

This focus on one aspect of life, the career, seems to have wreaked havoc on the other two aspects of partnering and parenting. Organisations are finally waking up to the fact that they are hiring the "whole man" – not only his head and hands but his heart and stomach as well !

A recent article in the *Sloan Management Review* (Summer 1997) 'Unexpected Connections: Considering Employees' Personal Lives Can Revitalize your Business' reflects this trend. IBM in the US has an office building with restaurants, hair dressing saloon, etc, and encourages family members to visit so that they can meet the working spouse during work breaks and enjoy some time together. In India, Satyam Computers has done a similar thing with its technology park a few miles from Hyderabad.

The three main pillars of life—career, parenting and partnering— are not unconnected. Kanta's letter is not only meant for Mr. Chibber but for all of us—male or female—who are trying to manage career and family today.

ILLUSTRATION 46

A PLACEMENT IN HELL

Lured by what seemed to be an attractive offer, Ranjiv Mittal left a good job to take up an overseas assignment. But, as he discovered later, the new job was anything but attractive

Ranjiv Mittal gazed at the hand-painted farewell card before him. Painstakingly created by his department and signed by each of them, the card said: "Bon voyage. We will miss you." Mittal was touched. In the three years that he had spent as profit centre head of Gerrard Forrest Ltd's (GFL's) personal care division, he had won the respect and adulation of all his seniors and subordinates. Mittal was leaving for Jinoh, a country off the African coast, to take over as the chief executive of the Geebee group's cosmetics company

Mittal did not have any immediate provocation for changing jobs. He was a very successful manager and rated highly at GFL. But, at 33, he was beginning to feel impatient with the pace of his growth. While his organisation's remuneration scales were among the best in the country, he wanted to accelerate his savings potential. Besides, the international assignment had the added attraction of newer experiences, challenges of new markets and the dynamics that came with them. So when Winnow Welbright & Co, (WWC) a firm with a fine reputation in job placements, (which also placed senior executives for GFL), issued an ad in business magazines for "a chief executive for a professionally managed, high-profile group with diverse business interests," Mittal decided he would send in his application.

The ad did not say much, save that the group was large and professionally managed, with interests in chemicals, cosmetics and consumer products. Mittal found that the product lines at Geebee Cosmetics and the job requirements fitted his profile very well. Besides, he thought, he was going to have independent charge of the group's cosmetics division, which would certainly add value to his worth when he returned to India. He wasn't going to take up a job only for the money.

Mittal was interviewed by Jeetu Khanna, one of the directors at WWC. His background and the GFL lineage fitted the profile of the candidate the company sought, and within two weeks Mittal was offered the position. Khanna said the company was highly successful but had

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by-IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

grown too large too fast and was consequently facing a senior managerial resources crunch. Sustaining profits and growth now needed professional and independent management. The next meeting was with the director of the Geebee group, Jainendra Vasisht, an Indian and an MBA from a good management school in India. The interview and the meeting were on strictly professional lines and Mittal was convinced he was on to a good thing. Indians occupied management positions in most key areas in the company, and it was highly profitable. Vasisht had nearly eight years with the group and this in itself was a good indicator of Geebee's worth. After all, why would a bright MBA spend so many years there if it did not show promise ? In Jinoh, the group had grown very large, with a turnover of $40 million, and its president wished to convert each of the group's companies into distinct profit centres with independent management, starting with the highly successful $12 million cosmetics division which catered exclusively to the export market. The cosmetics division had one large factory in Jinoh and the capacity wasn't adequate to meet the growing demand. Mittal, therefore, also had the responsibility of setting up a second factory for which land had been acquired.

Geebee Cosmetics' profile was impressive and if Mittal had any doubts about how sound the offer was, they were allayed by Khanna, who backed Vasisht word for word in marketing the job to Mittal. WWC itself had a good reputation and could be trusted on the quality of jobs and organisations it placed candidates in. Khanna was present during the first set of meetings with Vasisht and it was apparent the two men knew each other very well. So when Mittal communicated his acceptance to WWC, Khanna was delighted. Within days, Mittal resigned from GFL.

After reaching Tafu, the city in Jinoh where the offices of Geebee Cosmetics were located, Mittal drove to the group's head office to meet the president. After 20 minutes of cordial exchanges, Mittal was getting up to leave when the president said: "I forgot to mention it ; Mr. Vasisht has resigned, therefore, you will be reporting to me directly." Mittal was taken a back. After all, he had spoken to Vasisht just last week, and he did not mention anything about resigning then. In that brief moment, Mittal did not know what to say, nor did it seem appropriate to probe. The disorientation he felt at leaving India was accentuated by the unexpected news of Vasisht's resignation.

The same week, Mittal met four accountants and two marketing officers who had also been placed by WWC in various companies of the group. He was in for a shock. Said Vilas Patni, who had been an area sales executive with a large paints company in Calcutta: "I came here six months ago. But I still have to be paid a single month's salary. My passport is with them, so I cannot even think of going back. What do I tell my parents ? As it is, they were very sceptical about my leaving a good multinational job to wander overseas." Accountant Manu Desai had a different tale to tell. His salary was reduced after he joined. He was asked to sign for the contracted amount, but was paid just 60% of that. And the accommodation. The group had promised them family accommodation at the time of recruiting them, but now the six of them were huddled together in one apartment.

The same day, Mittal studied the previous years' balance-sheets and profit & loss accounts of Geebee Cosmetics. He was dumbstruck to find that sales were a mere $4 million and the company had been making losses during the past two years. Inventories were worth a staggering $1.5 million, much of which were rejected orders. The accountant added : "The company has been doing very badly and the cash crunch is only a consequence. We have lost

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

significant buyers in the US for private brand manufacture. We have a long list of unpaid creditors, some of whom have gone to court. Because of the negative image, other suppliers are refusing to supply on credit. Consequently, we have been unable to meet current demand. Worse, buyers aren't willing to advance us money as we have defaulted on delivery often." Mittal tried hopelessly to comprehend the situation, which was so contrary to what he had been told about Geebee.

Therefore, it was a relief when, one week later, Mittal heard that Vasisht had withdrawn his resignation and was back with the group. Mittal called his office the next day, but Vasisht was cold and withdrawn. He did not mention his resignation, neither did he ask to meet Mittal. When Mittal requested a meeting to discuss the company's performance, Vasisht dodged, saying that he was too busy. The following day, Geebee Cosmetics received a communication from Vasisht, announcing that Mittal would be the new general manager who would be looking after marketing and administration. Production and finance would report to Vasisht, the vice-president of the group.

Mittal was shocked. He called Vasisht's office and asked him: "How have you changed my designation and functions when I was appointed as the chief executive ?" Replied Vasisht : "We did a restructuring of the organisation yesterday, and I have taken this decision. As group vice-president, I have the right to work towards the common benefit of all the group companies." An angry Mittal asked him : "How come you did not mention this when you recruited me ?" Vasisht was curt. He said : "You did join as Chief executive. I am now the group vice-president and can change the structure if it is not optimal."

Mittal was shocked beyond belief. He called Khanna in India and spoke to him. But he got no reassurances there. Said Khanna : "What can I say ? It is an internal matter. My job was to place a Chief executive for them, which I did. I cannot control subsequent events."

"But surely my appointment must have some sanctity? I was told it was a certain job which came with certain responsibilities. If I accepted your offer, it was because I wanted that job and those responsibilities," said Mittal, thoroughly disappointed with Khanna's attitude. After all, the change had been made so soon after he joined Geebee. Khanna wound-up the conversation with an assurance that he would look into it, but Mittal knew nothing would come out of it. He decided to take a firm stance. He had come to run an organisation and he would do just that, Vasisht or no Vasisht. As far as he was concerned, the group president had not changed his designation and he was bound by the president's decision alone. And since the president was out of the country, Mittal decided he would not circulate the communication. During the next few weeks, Mittal met the staff, discussed their problems, changed systems, created new ones, met buyers and signed all communication as 'chief executive'.

Within the next few days, Mittal sensed Vasisht's growing hostility. Curt and matter-of-fact, he questioned every decision. Meanwhile, the president returned and took a keen interest in Mittal's work, his opinions, his decisions and backed him all the way. He said : "I suppose you find Vasisht too interfering and overbearing. That's his style and I do not want you to be affected. You are the chief executive ; just concentrate on your work and like I said, you will report to me. To begin with, get started on the new factory. Here are the files on the suppliers with whom we have placed the orders for plant and machinery. These should arrive in seven weeks. I would like the installation to be complete before the year-end."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The president's attitude and Vasisht's indifference confused Mittal. He wondered who the boss was; how was he to interpret the instructions of one and the decisions of the other ? It seemed to him that Vasisht didn't know about this changed structure and Mittal found himself constantly dragged into meaningless controversies. He found that there were no clear reporting relationships in the organisation structure, and often took instructions directly from the president, which upset Vasisht. However, Vasisht didn't think twice about interferring in the various divisional hierarchies. It wasn't unusual for him to negotiate with buyers directly without Mittal's knowledge, and then question him for overlapping decisions. He changed designations, job responsibilities, accessed financial data himself and presented information to third parties without having these vetted by the accountant. Invariably, this led to chaos and controversies.

During one of his meetings with the production supervisors, Mittal was shocked to find that Geebee Cosmetics had not paid its workers for over six months owing to a cash crisis, and not, as Vasisht had said, due to some unresolved disputes with the labour contractor. Then again, turnover was not $12 million as he was told, but a mere $4 million. The $ 12 million figure was the projections after the new plant was set up. But the projections themselves were questionable given that three of the key buyers had threatened to stop dealing with Geebee, owing to delivery problems. Purchasing was fraught with difficulties as bankers refused to guarantee further letters of credit until old dues were cleared. Being entirely imports, the lead times were higher and production was invariably held up. Mittal couldn't help feeling cheated. There was no way he would have taken up this offer if he had known that the company was so badly off.

Worse, Vasisht blamed Mittal for being ineffective. Mittal felt an acute sense of isolation. Anyway, he went ahead with the new factory plans. Two months later when the installation was in progress, Mittal received a note from Vasisht asking to meet him. "May I see your project report and financial analysis on the new factory ? On what basis have you decided to place orders on these suppliers for plant and machinery ?" he asked. Mittal was taken aback. This was a new twist. When Mittal had joined, the suppliers and contractors had already been appointed and Mittal was asked to finalise the installation dates. When he pointed this out, Vasisht said: "These suppliers do not have machines of the required quality. By not evaluating their quality, you have not acted in the company's interests !" Stunned, Mittal replied: "I was given the charge to set up the new factory by the president. The orders were placed by him before I joined. All I have done is receive the equipment and plan the installation." But Vasisht insisted that Mittal had acted out of turn. It was clear to Mittal that Vasisht was aware of the events but was using the situation to create a controversy. Vasisht added: "I run the affairs of this group and you will adhere to the standards I set. The president is only a figurehead as the owner. I personally advise him on all business decisions and you will do nothing without informing me, no matter what he says."

By now, Mittal realised it was a stalemate. This constant tug-of-war between the president and Vasisht was causing him more agony than he could tolerate. Resigning from the organisation would not be easy, as Vasisht would make it difficult for him to leave. He recalled that the marketing manager of the chemicals division, Tapas Banerjee, had left for Hongkong one day to attend a business meeting, from where he never a came back. He had engineered his exit from the company and country, which would otherwise have been traumatic. Three similar instances had occurred in the past seven months, and he had been told by some of the Indian staff that resigning was impossible.

CC-0. Jagat Guru Nanak Digital Preservation Foundation, Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The next three months were traumatic. Vasisht kept a close watch on Mittal's movements, and questioned his every move. Vasisht dealt with the bankers directly, made representations on behalf of Geebee Cosmetics and even presented loaded projections of profits to get working capital loans. Mittal got increasingly concerned. There was no way he could work independently or ethically. With the president often away from the country for long periods, he came directly under Vasisht for administrative decisions. He realised that being a chief executive in Geebee was not the same as being a chief executive in any other organisation. Here he was but a glorified staff member with no powers. There was no independence in decision making nor was strategy respected. Decisions depended on Vasisht, and given his attitude, there was no saying to what lengths he would go. The acute cash shortage made day-to-day management an ordeal, leaving little time for Mittal to focus on longer-term plans.

Mittal soon discovered that the Jinoh office of WWC initiated the recruitment exercise for Geebee. He got in touch with its head, Janak Mehta, for help. Mehta did not show any interest in meeting Mittal. Neither did Mehta know that the company was in the red, and that it had been unable to repay many loans. Or that three senior people recruited by his company through WWC's Mumbai office had quit Geebee. He did not know that the chemicals division was likely to be closed down, although WWC had recently recruited a replacement for Banerjee! No, he did not know that his recruits were not paid their salaries and that some had to accept reduced salaries. In short, he knew nothing. When Mittal told him about the treatment meted out to professionally qualified executives, to people who had held sound jobs in sound organisations in India, Mehta said: "*When in Rome, do as the Romans do*. There is no point expecting the work ethic and professionalism that exists in India. Don't forget they accepted these jobs for the money. If their Indian jobs were all that good, why would they have left ?"

Mittal was shocked by Mehta's insensitivity. And this was WWC, a firm with a solid reputation in India. Surely all these executives had placed their trust in Geebee simply because the offer came from WWC and not from some fly-by-night operation. When Mittal called Khanna, he said : "There is nothing I can do. Why don't you come back ? I don't have any offers just now, but I hope that by the time you are back we could work out something." Neither was Khanna alarmed by the issues Mittal mentioned. "These things do happen," he explained. "It is common knowledge that many of these companies operate without ethics. Surely you did not expect a multinational culture ? You need to adapt, change. What you are experiencing is a culture shock ? Soon you will learn to play the game by their rules."

Mittal was frustrated. While his situation was bad enough, what about the hapless six, who had't not been provided with accommodation ? What about their family visas ? Many of them had children who had been pulled out of school in anticipation of imminent departure. What was WWC's moral obligation ? And wasn't it Khanna who had said in India : "Geebee is a sound, professionally managed group... Vasisht is an old friend...." And now he was as easily saying : "It is common knowledge that many of these companies operate without ethics."

It wasn't as if going back was easy and what could WWC do for him anyway ? Could he trust it hereafter when it was clear that the firm had done nothing to evaluate the client before placing a candidate ? And it did have an office in Jinoh. Why did it not ask Mehta to obtain confidential reports about the company ? After all, what was the purpose of having an office in

CC-0 Agamnigam Digital Preservation Foundation, Chandigarh. Funded by IKS MoE-2025 Grant

Gandhi Memorial College Of Education Bantalab Jammu

Jinoh if it could not advise its counterparts on the credentials of the client ? As a last-ditch effort, he asked Mehta if he could be placed in a different organisation in the region. But Mehta was indifferent. He said: "Mittal, we do not find jobs for people, we find people for jobs. If you are not happy at Geebee, you should resign."

And Mittal resigned. His letter said : "I took up this job on the belief that the company was profitable. But obviously the situation is entirely different. Even so, I can work on turning it around, provided I have the independence as a chief executive to strategise the turn around and negotiate with bankers and buyers alike. But as long as the decision-making is informally held by another person any attempt on my part will be sub-optimal." The next few weeks were agony, as Mittal found himself constantly dragged into arguments between the president and Vasisht. But the frustration of continuing in an organisation that was not what he had been led to believe, and, therefore, did not hold the promised opportunities, was too great. Besides, there was no saying what else was in store for him. Vasisht had manoeuvered the situation to usurp all authority but he did not assume the responsibilities that went with it. And with so many unanticipated hurdles, Mittal was unable to perform.

Back in Mumbai, his sudden arrival surprised his friends. Three days after he arrived, he called on a senior director of WWC, Ashutosh Gupta. Gupta called in Khanna and heard Mittal's story. What they had to say was no salve for Mittal's wounds. "What can we say ? It seems like an unnecessary experience. Based on the data Mehta gave us, we had no prima facie reason to doubt Geebee's reputation. Besides, and this is important, checking the credentials of the employer is not our responsibility. Once we have put the candidate in touch with the employer, it is for him to exercise his judgement and intelligence in gauging the offer. You had just the facts that we had, but you were the decision-maker, not us. We did not compel you to take up the offer, and if you did so, it was entirely your decision. "

Mittal was furious. He retorted : "The facts I had were the ones you fed me. Don't you have a professional obligation to ensure that the persons you are recommending the job to are given a fair representation and correct information about the product you are offering ? What you have done is neglected to protect the interests of candidates. Whether you blame Mehta or anyone else, the fact is, I applied to you, you made an offer to me acting on behalf of Geebee, and you have accepted a fee for hiring me. I burnt my bridges and went overseas only on the basis of the reputation your firm enjoys. And you say it is not your responsibility. Is it not your responsibility that they changed my designation ? That its sales figures are way off the figures you quoted while marketing the job to me, and that the group is deep in losses and debts—not 'successful and profitable' as I was told—is that not your responsibility ? That it has not paid me my salary for four months and the other six you hired have not been accommodated as promised, nor paid their salaries—none of these is your responsibility ?"

Gupta and Khanna felt Mittal was overreacting. Khanna reiterated that many companies were known for unsystematic and unstructured style of management. Mittal at 33 should have known better, they said. Sitting in India, how were they to get the kind of information that Mittal expected ? In any case, they did not think it was the firm's responsibility. Before Mittal accepted the offer, he should have checked the credentials in the manner he wanted. As Gupta put it : "Here was a company that wanted us to hire a person of a given profile. We found you, they liked you, you accepted the offer. Our role ends there. If something went wrong in your relationship with the group, we cannot help it."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Is WWC's stance tenable ? What is a placement agency's responsibility while placing candidates ? Does it have a duty only towards the client and not the candidate who is the other party to the contract ? Isn't WWC responsible for evaluating the client's credentials before recommending it to its candidates ? What recourse can a candidate take in such situations ?

POSSIBLE SOLUTION 1

IT'S CALLOUSNESS[7]

This particular case raises two interesting issues that warrant debate. Did WWC mislead Mittal or misinterpret factual information that it gave him which led to his accepting the assignment at Geebee Corp ? What responsibility— moral or professional—does WWC have towards Mittal regarding the internal restructuring at Geebee and/or the non-conducive working relationship between Mittal and Vasisht ?

Simply construed, WWC was engaged by Geebee to identify and evaluate prospective candidates for the chief executive's position at its cosmetics division. Even though WWC's contractual obligation is to Geebee, it assumed as a result of this contract the responsibility to represent the client company and the assignment to prospective candidates. WWC was, therefore, obliged to determine and be apprised of the material facts on the company and the assignment.

It is clear from the sequence of events detailed in the case that WWC did not make any independent effort to determine the bare facts about Geebee—for example, turnover, profits, size of the cosmetics division, and so on. It is quite apparent that WWC is a transaction-oriented, volume-driven placement company with the sole objective of placing 'bums on seats'.

WWC's approach was to 'sell' the assignment to the prospective candidate even if it involved misinterpreting the facts.

It is appalling that WWC was either indifferent to, or had no knowledge of, Geebee's unethical practices, like not paying salaries to employees, not honouring the terms in the employment contract etc. Any professional organisation that knowingly represents such a client, in my mind, would be equally responsible for misleading prospective candidates.

Even though it is quite surprising that a successful executive like Ranjiv Mittal made no independent enquiries about the company's antecedents and its reputation in the marketplace, it does not take away from the fiduciary responsibility of WWC to accurately represent the facts. This callousness amounts to nothing short of the professional negligence committed by a doctor or a lawyer. Mittal would be well advised to claim damages, from WWC as a result of the hardship; and loss of earning caused to him. Unfortunately, we do not yet have a professional association in India that governs the conduct of the so-called 'placement firms'. Operating a placement firm does not impose any ethical obligations and this has led to a surfeit of unqualified fly-by-night operators that have brought this profession into disrepute.

---

[7]This case analysis has been made by Rajeev Vasudeva who is the managing partner (India) of Egon Zehnder International, a leading international executive search firm. Prior to representing Egon Zehnder, Vasudeva spent 15 years in management consulting in India and the US.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The other issue of significance is the one that concerns events subsequent to the recruitment. Typically, these tend to be outside the control of the placement firm and cannot be determined in advance even if it has undertaken the necessary due diligence. In this case, the professed restructuring or the nature of the personal conflict between Vasisht and Mittal could not have been predicted by WWC. These wranglings are commonplace at senior levels in organisations and candidates would be well-advised to independently ascertain the management style and reputation of their new boss before taking on a new assignment. Mittal presumed that Vasisht's credentials implied professionalism. Resolving such conflicts is often the core competency required by managers, especially in organisations dominated by home-grown managers.

Even though WWC may have very little influence on the operating structure and management style of Geebee, the appropriate response for WWC would have been to bring Mittal's issues and problems to the attention of the president and create a forum for discussion where such issues could be resolved amicably in the mutual interest of both Mittal and Geebee Corporation.

For any executive search firm to be effective, it not only needs to develop a trust-based long-term relationship with its client but also gain the confidence of prospective candidates. This can only be achieved if there is transparency in its dealings. Every assignment has its *pros and cons* and it is the job of the executive search firm to present them objectively and accurately to potential candidates.

POSSIBLE SOLUTION 2

WHO'S TO BLAME ?[8]

Career choices are almost always calculated risks—which is about as good a commentary on life itself ! All of us have at some time or the other made our career choices based on our life planning process and it is important that at that time the decision is the most appropriate. Mittal was right in looking at savings potential and the opportunity to get a multicultural experience, at a time when his young family could have also made that investment and when he could take a calculated risk. Perhaps he could have done some things differently to ensure that he remained happy with his decision and realised his dreams.

The crux of the issue here is : whose responsibility is it to ensure that the choice is the right one ? The answer lies in the fact that in all relationships, whether personal or professional, it is people who make the difference. They ultimately make or break a situation. In this particular case, they involved the people who represented WWC, the executive who represented Geebee Cosmetics and, of course, Mittal himself who was the most affected.

In my experience, the typical placement agency or search firm is largely driven by the desire to complete an assignment for a client. For the agency, it is a process of broking a "marriage" and thereafter it is left to the individuals concerned to make that partnership work.

---

[8]This case analysis has been made by Matangi Gowrishanker who is an organisational development consultant with GE International.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

A few agencies that I have dealt with share a genuine concern for both parties and attempt to resolve issues and concerns that impact both lives. They wouldn't have responded like the people in WWC.

I do believe that WWC does have a moral and professional responsibility to research every client for whom it is placing clients and present an accurate picture to the aspirant. It is definitely its responsibility to put all the cards on the table so that the individual can make a considered decision.

Had WWC done that, Mittal's sense of injustice and being let down would have been much less — certainly, he would not have held WWC responsible for that. I think search firms need to know that their success depends not just on the corporations that hire them, but the word-of-mouth publicity that individuals placed by them provide.

Search firms need to be sure that the people who work for them are able to display the highest standards of professional and personal ethics and work towards the best interests of the company. The people out in the front are critical. Of course, most search firms take a short-term view of this as they believe that the job aspirant is not the real customer. In the longer term this can be seriously damaging for them.

Mittal should have taken more assertive charge of his life and choices and not relied entirely on a search firm, however good its image. He should have made more enquiries about Vasisht and his role in the company. He should really have made it his responsibility to get as much information about the company and, if necessary, met with and talked to others who had moved into various assignments there.

Mittal also should have sought and ensured that he got more data from WWC. This is one way in which, as an aspirant, he can make the search firm more responsible and responsive. I have dealt with a couple of firms that have always had the highest standards of excellence—operating from the belief that both parties should win. They have provided data, publications, and in some cases, even business plans (all with the client's approval).

In the ultimate analysis, Mittal needs to assume ownership of his choices. When it is such a significant choice, it is critical that we satisfy ourselves that there is data to support our decision. All too often we forget our role as leaders and managers when it comes to our personal lives. I believe that a career decision is like many of the other decisions that we make as managers and deserves the same kind of careful and thoughtful action.

Finally, of course, there is Vasisht—the "key person" for Geebee Cosmetics—who is perhaps the most significant player in this whole episode. Vasisht has been empowered with the status and position to present the company and its image and has, over time, probably usurped so much power that in reality he is only furthering his own destiny. From personal experience, I know that the likes of Vasisht need to be very carefully measured and understood. I do believe that Mittal's greatest error of judgement was in not assessing Vasisht and even questioning his position as the front person for the company. The top management of Geebee Cosmetics was probably not even aware of the real goings-on within the organisation. Even if it knew what was happening, there was little it could do, having given so much power to Vasisht in the first place. Ultimately, of course, Vasisht will be exposed and will have to leave the group—but not before many lives have been ruined and many people left without options.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

A tree is known by the fruit it bears, and this applies for all parties to this game of finding the right people for the right organisation. Ultimately, both WWC and Geebee Cosmetics will face difficult situations because the people they have put in the front of the organisation are causing great damage to them.

There is a fine line dividing the real truth and half truths—it is possible to justify half-truths and provide a rationale for any outcome or course of action. But is that how we value professional ethics and the lives of fellow managers ? Can we let our desire for success get the better of our conscience ?

POSSIBLE SOLUTION 3

SPECULATING ON CAPITALISM'S FUTURE

THE CRISIS OF GLOBAL CAPITALISM : OPEN SOCIETY ENDANGERED

Is the global capitalist system seriously out of kilter ? Is it about to collapse ? Yes, says George Soros in his book, *The Crisis of Global Capitalism*. The world's most famous speculator and the brain behind Quantum Fund says he has "no hesitation in asserting that the global capitalist system will succumb to its defects, if not on this occasion, then on the next one." Soros has been saying this for some time now, but you ignore him at your own peril. After all, Soros makes a considerable living out of predicting the future correctly. (For those impatient to know whether he made money out of the south east Asian collapse — as Malaysian prime minister *Mahathir Mohammed* alleges he did—the answer is : yes !).

But hold on before you tell your broker to sell all your investments. For one, Soros is no longer an active fund manager and his instincts, he admits, may have frayed at the edges. For another, Soros' book is less an economic prediction than a "do-it" list for the global economic powers. If they follow his advice—a mix of specific prescriptions and longer-term, moralistic exhortations—Soros believes the world could escape Armageddon.

Frankly, the 'do-it' list is a let-down. You have read all those suggestions either in economic books or in morality classes. The real attractions of Soros' book lie elsewhere—in the insight it gives into what made Soros successful (see excerpt), and the passion with which he attacks the fundamental assumptions of global capitalism.

Watching Soros bemoan the systemic instability of financial markets is like listening to the Pope denouncing the Catholic faith. And he does that wearing sackcloth and ashes. Listen to this: "As an anonymous participant in financial markets, I never had to weigh the social consequences of my actions. I was aware that in some circumstances the consequences might be harmful, but I felt justified in ignoring them on the grounds that I was playing by the rules." Since that reads like a rough translation of the charges that Mahathir has been levying against him, is Soros now saying *mea culpa* ? Yes and no. Soros admits that financial markets are "amoral" and inherently unstable—he even says that one of the most disturbing aspects of the global capitalist system is that the "unscrupulous come out on top." But he differs on the specifics. Soros says his funds bet against the Thai baht and the Malaysian ringitt months before the crisis began and at the time that the crisis actually began to snowball, they were actually buying those currencies, not selling them.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

But leave that aside, and focus on the substance of Soros' argument: that markets do not work the way economists believe they do. At the core of traditional economics is the belief that free markets tend to an equilibrium level where the demand meets supply. Now what happens when prices do not just reflect fundamentals as given by demand and supply curves, but are formed by a very complex interplay of people's expectations about the future which in turn determine the fundamentals ? Soros gives this line of thinking a name : reflexivity, a term borrowed from Karl Popper. A clearer term would be self-reinforcing behaviour which is found in all markets. The US today could be experiencing the kind of self-reinforcing behaviour which carries markets far away from equilibrium. High stock prices are making people feel very wealthy, making them spend more, thus making companies report increasing earnings, which in turn makes stock prices go up even more.

When the bubble bursts, it's going to fall all over us. This is precisely the kind of boombust sequence that traditional economic theory doesn't know how to handle.

But anyone who has been following some of the newer developments in economics will be disappointed by Soros' book, because he seems to be innocent of these attempts. Professor Brian Arthur and his team at the Sante Fe Institute in New Mexico, for example, have been applying the theories of chaos and complexity to economics and coming out with new insights. There are other economists who are applying the principles of evolutionary biology— what Soros calls reflexivity, they call autocatalytic systems—to economics.

The lack of familiarity with this body of work makes Soros' book look rather amateurish as an economics tome, but as a practitioner's insight into how markets really work, it is of considerable value, despite the shoddy manner in which it is organised. Read the book; the nuggets of practical insight that you come across are worth the trouble of plodding through the philosophical outpourings of a remarkable speculator.

ILLUSTRATION 47

CUTTING WITHOUT A QUALM

Bhrigu Raaj, vice-president (human resources) at GenTech India, found that his attitude to downsizing had changed over time. Here's his story

Bhrigu, we have to rightsize again, "said my managing director last month. I was relieved, glad that we had finally decided. The last time we did so was seven years ago. Then, I was a neophyte like the mythological Abhimanyu—I stepped in with faith and got sucked in by the anger and anguish all around. This time I know my way around, in and out. What we are going to do is simply downsize. Words like smartsizing and rightsizing are mere euphemisms; you have to call a spade a spade. That's what I have learnt in these seven years. When you are dealing with organisational survival, it is important to be clear headed.

Why downsize again, my divisional heads ask me again and again. It has not been easy, but the market is evolving at such a fast pace. So where is the scope for emotion ? The degree of ambiguity is much higher now. Look at technology, it is ever changing. Customers' buying behaviour is constantly changing, the canvas of competition is expanding and becoming diverse, the consumer has more money to spend and a far greater choice. We have to deal with all these variables. Employees' aspirations, too, are changing; they are becoming self-driven.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

"Bhrigu, you have changed so much," said Ritesh Pant, one of our divisional heads. "In 1992, you nearly wept over the downsizing. This time you are proposing it !"

"Then I was caught unawares by liberalisation. Today I am saying we need to plan, we need to forecast the trend of the market, the demanding attitude of customers, the aggression of the competition, the evolution of the market-place. Technology is converging: voice, data, everything is integrating. Faxes will become outmoded, and with the Internet gaining ground, our entire way of life will change. Shouldn't I plan for that future ?" I said.

Pant was shaken. "Where are we headed," he asked. Only seven years ago we cut 30% of the staff. Its effect was resounding for a year after that. Now we are cutting another 30%!"

"But that is a part of organisational survival. If we don't plan today, there may not be a company to speak of in 2010," I said.

"Yeah, all that is beautiful, management rationalisation. But what happened to feelings ? To care ? What will happen to our people, our family...." he asked : "Has moving at this breakneck speed become part of our psyche now ? Is this the price we pay for growth, for keeping up with the Joneses ? Five years ago they said India is where the action is, the most happening place on the business map... We bought that and ran and ran faster than we should, and eventually we started running away from ourselves. But do stop and take a look to see if what you are suggesting is in sync with our ethos. The individual is making tremendous changes to his attitudes, whether he works to live or lives to work. The organisation is also making tremendous demands on its skills and redefining what the corporate family is. But what do we have today ? A certain ruthlessness ... The dependence on the company as a family is gone ! Bonding and trust have gone !"

"That's precisely what I am working on. Some have to go so that others survive. I am trying it create a business ethos which you can trust," I said. There is no doubt in my mind, no anguish. In fact it is the best decision under the circumstances.

Seven years ago, we cut 30% of our staff. It would have been much more had I not dithered and fallen into the abyss of guilt and remorse. So muddled was I that I had made a number of errors of judgement.

Let me explain. My organisation, GenTech India, is a large company and makes a host of office automation products—from personal computers (PCs) and printers and peripherals to copiers, fax machines and mail systems. Eight years ago, liberalisation had begun and the market was just opening up. The new entrants were not bothered at what cost they sold their products; it was part of an entry strategy for them. They offered value for money, had international brands that were aspirational, and superior technology. In such a situation, there was a shadow over our brands. We had to work doubly hard on our brands to make a dent on the market place—brands which until then were surfing the waves of success.

Our natural response was to take a cut in gross margins in order to achieve the same volumes. But that was only tactical; soon that tactic became the rule. So while we regained volumes, our earnings dropped. We could no longer bear the cost internally. We found ourselves selling a complete suite of products just to generate revenues, completely ignoring the cost of selling them. In short, there was panic.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

That's when we had decided to look at our structure, at product lines, at channels, at everything. The focus was on cost effectiveness. It was less on value creation. 'Are we doing what we should be doing more effectively than the others ? If we are selling more than we did, why aren't we making more money ?" was the main topic of discussion at every brainstorming session. What initially appeared like a methods study ended up being a list of jobs that could be dispensed with.

I had been anguished. But our managing director, Pradeep Verma, had been categorical. "There are these new predators in the marketplace with deep pockets and sharp teeth. The only way we can keep our heads above water is to downsize." I was devastated; the bad word had been pronounced.

As the news got around, the staff came to me, rather 'at' me. "Why are you doing this ?" they had asked. When people are being sacked, it is the folly of the HR man, naturally. "Why do all this in one shot ? Why didn't the management think of this earlier ? Why didn't they plan for it ? Why this knee-jerk reaction ?"

Questions, questions. I had no ready answers. For I, too, was in a state of shock.

I had practiced some unchallengable responses. "We are doing it so that 20 years down the line when we look back we feel happy that we were not blind to the realities of the marketplace. For that we have to take the right steps today," I had said.

"You are doing something you believe is right, because it is right for you!" they retorted.

"We have the greatest faith in our direction setters' unified vision, their ability to sense and develop a futuristic vision..." I attempted to reply.

"But you own that vision, I don't. It didn't arise in me, can't you see ? I don't own that vision !" one manager said.

"It's not always necessary for all of us to start with owning that vision," I replied, "so long as we can begin to see the value of such a new vision and then come to own it. It is part of a value-creation exercise. We are trying to create better value for our employees and customers; not just our shareholders."

But 115 people had been 'relieved of their duties'. A pall of gloom, mine being the darkest, had descended on everyone. The decisions had been made for me : I was simply the executioner, the conduit for bad news. It had passed, like all bad things pass, but it did leave behind an aura of distrust.

While the external air had calmed and it was 'back to business as usual', the rumblings had continued with renewed fervor in the boardroom. Every quarter, the strategy review meeting had thrown up fresh snags in the survival plan, even as the market changed. That was the period when I evolved, watching these men passionately dissecting the organisation, reaching its core and coming up with a fresh vision.

For two years after 1992, we tried different remedies, but market place was unyielding. Many of our products failed, others barely survived.

Suddenly realisation hit us. Our approach had to be customer-driven, not volume-driven. That vision was in sharp contrast to the lack of focus in 1992. The downsizing of 1992 had been a knee-jerk reaction. It was a desperate bid for survival. We hadn't sought or evaluated whether we were creating value for the customer. It was about staying with the knitting and becoming thin and lean. The focus hadn't been defined, there was no clear vision. Now, we had a vision !

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Now we were going to bridge the gap between what the customer wanted and what we were offering, as opposed to 'this is what I have and this I must sell'. That meant understanding buying behaviour, and an ability to offer solutions. Very simply, the customer was going to dictate our strategy for the future.

Until 1991-92, customers had been divided into corporate accounts and non-corporate accounts. When the liberalisation fever hit us, the first level of differentiation had come, triggered off by changing buying behaviour. We had started looking at corporate accounts differently. For example : is this an account where I can establish a long-term relationghip ? It also led to the development of relationship-based customer development. A third customer category—government accounts—was developed. By definition, it did not fall in the corporate or non-corporate categories, because the buying behaviour was different.

Soon after, we had begun looking at the effort that was going into servicing each of them. The effort was the same for each category, but the profitability was different. Persons of the same calibre were looking at key accounts, government accounts as well as individual accounts. And in all of them the sales person had been focussing on volumes. We had been getting better returns from the key accounts than from individuals. That had led to the question : do we need to do all this differently ?

Today, we are saying, why don't we lock in on those key accounts that have the propensity to buy more and more from us ? So we started looking at not just selling boxes of products to these accounts, but also services, solutions—nurturing a relationship. At a subtler level, we were selling the corporate brandname as an icon for a complete communication solution, so that tomorrow if a key account wanted to buy internet services, he chose us as the first choice, because we had already established a relationship with him.

It became apparent to me that if that was the way the business should be strategised, marketing and sales must comprise people who understood customer needs, could build relationships and engineer solutions—people who could be single window solutions providers. Not only would that ensure customer loyalty, it would also increase marketshare, ensure repeat orders and adequate margins.

So, from an account base of 3,000, we homed in on 500 that could be developed as relationship accounts. We realigned our thinking and channelled our energies to serve our large accounts with which we needed to build solid relationships.

Simultaneously, the individual user and SOHO TOHO (small office, home office, tiny office) segments were becoming dynamic. Customers in this segment were becoming very savvy, had gained vast knowledge of product capability, were investing in personal growth and preferred to look at a menu of buying options than a single brand. That led to the evolution of retailing and channel development at GenTech.

We had begun to see some light at the end of the tunnel. Now we looked at our structure again. In such a scenario, we did not need such a large sales administration team, because we were already picking and choosing our top 500 accounts that had the potential to grow. The others, typically the individual customer, preferred to deal with the trade, which was doing that job at a lower cost and more effectively.

Meanwhile, these large customers were also becoming savvy. They were looking at the returns on their investments more keenly and now wanted a bigger bang for every buck. They were now looking at systems as a whole: integrated, networked and result-oriented. In short, they were now seeking total solutions to every new need instead of just a product.

CC-0. Mumukshu Bhawan Varanasi Collection. Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

And we, in turn, were beginning to see the dawn of relationship-based marketing. Therefore, the skills that we needed were vastly different from what we had. The first major skill we needed was understanding the customer's business strategy and his communication needs. We now had to figure out where we fit in the entire backbone of a customer's needs, how we could offer a better solution. I immediately saw that 25% of the sales team was superfluous.

Really, it is the customer who defined how we should be structured. Earlier, the people from infotech, peripherals, document solutions and telephone systems would sell their products separately. But technology—data, voice and other applications —was converging. Now, if you are one of the providers, you need to understand where the technology is converging and what part of the solution you are going to provide. What became apparent to us was, if we were not going to be part of the solution, we may as well quit the race and be a vendor—a supplier to the chain but not a logistical manager of the solution.

Yet another change was taking place. More and more individuals were buying communication products. With prices going down, an individual with a disposable income of, say, Rs. 20,000 could afford to buy products like PCs, cellphones or printers. There was a great variety of brands in the same product category, and the consumer was recasting his shopping list. Our entire business approach had to be radically redefined.

We now began to look at profitability. Seven years ago we focused on volumes at the cost of profits. Today, if we have to improve our bottomline, everything we do has to be profitable. We'll focus only on those products that are profitable.

The moment we started looking at consolidation, we began examining the tasks—what could be done in-house and what needed to be outsourced. We did some of that in 1992, but we needed to look at it more closely now. The pressure had become more intense and we realised that we can't be good at everything.

And this is exactly what I'm trying to explain to Pant. The context has changed so much that we have to restructure. By early 1998 we started looking at our structure and processes even more keenly. In 1992, we were essentially changing our cost model. Then, it was about selling products and being salient in every product category. But today it is about selling solutions. GenTech's structure was very rigid and geographical. Today we are planning to structure ourselves around processes and people. We are being forced to look at large account management, channel development and channel differentiation. "We need to give them complete customer accountability," says our managing director.

"They must sell, serve and collect," he declares. "You are a single window with responsibility for your respective areas...." That's the process he is referring to—accountability spanning sales, service, collection and regional marketing all rolled into one. The managing director has coined a new term, 'relationship management', not even the staid account management.

The salesperson's role has also changed from just selling things to being a solutions provider. Activities are changing, too. In 1991, the markets were more organised around geographic definition. So, we had regional managers, area managers, territory heads and so on. Today the mantra is "one national strategy for all large accounts". So, key skills have to be centralised.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Earlier, we used to fragment customer service functionally. Today we are creating specialists for specific client needs—basically specialist solution developers. Then we were geographically driven. Today the key organisational drivers are getting centralised and the focus has shifted to value addition. Naturally, the people dimension changed.

The definition of employment and employability, a dilemma which started in 1992, is much clearer now. I know that, that difference will lead me to the same trauma... but I feel confident that I'm doing the right thing. What I can see is that we are not changing the basic tenets of the organisation's values, but are looking at how we should implement them in a new paradigm, in the new context. Therefore, compensation plans will have to change, according to how much value people add.

In 1992, we compensated people on the basis of cost of living and performance. Today, I am not even considering compensating for inflation. I need to have differential rewarding systems based only on performance. I don't mind giving a 30% increase to a high performer and nothing to a non-performer.

When I asked my assistant manager (HR) Vishwas Patni to design a new compensation plan, he was stunned. "Isn't that a bit too ruthless ?" he asked. "How can you of all people suggest such an idea ? And what are you going to tell them ? That we have changed the way we look at people ?"

"We need to develop a pay plan that is in sync with our people's contribution to growth," I said. Our whole performance management system has to change. But face it, even the employees' paradigms have changed. Today, they are looking at companies where they can have short-term meaningful careers. "Please understand, while the market for products has changed, the market for people has also changed, both supply and demand. The paradigms have changed and we have to respond to that," I told Patni.

"We have to deliver and declare a policy which is very credible. People today are looking for greater challenges, for learning opportunities. In turn, we have to be ready for bigger challenges," I said.

The onus of self-development is now on the individual. No longer is the company solely responsible for employee development ; the individual also has a role to play. Besides, the individual is today armed with so much information that he is very selective about what he should imbibe. As I see it, not only is business in transition, even employee aspirations are undergoing a change.

Meanwhile, we will continuously look at our value chain, value-creation possibilities and outsourcing... in line with expressed customer needs. That will form the pivot of our strategy for the future. It is a single-point focus now. In 1992, we were trying to do better than our competitor. Today we want to be the best for our customer.

What we are, therefore, looking at is change management, a fundamental shift in the way the company is being run. Things have changed so much that our feelings have also changed. Why, I don't feel the anxiety I felt in 1992 when I had to let some of our people go. All I am doing is building the supports to manage change effectively. I have to deal with it. I can't turn my back on it. We're desperate to smarten up.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

We have to restructure again. We have to selectively reduce our head count. We will retain those people who are not only good performers but who are also attitudinally aligned to the new context and who would also be successful in the future.

"Where will these guys go ?" asked Pant. In 1991, when we downsized, Pepsi, Coca-Cola, Reebok, Nike, Daewoo and Kellogg had come in. Jobs were aplenty. Today the market has dried up. I can see pain writ large on Pant's face. "Why are you letting these people go ?" he asked. "They are so good!" I said I didn't need their skills anymore. My context has changed. I have made a strategic shift in my business philosophy.

"Bhrigu, you *have* changed!" Pant said conclusively. Have I changed as a person ? Or has the environment in which we are all hopelessly sucked into, changed ?

MEERA SETH

POSSIBLE SOLUTION 1

BE PROACTIVE[9]

Dear Bhrigu, I read with great interest your reflections on your experiences with GenTech India. As you rightly said, your company was caught unaware by the forces unleashed by liberalisation. Rest assured, you are not the only one. There are many who were adversely affected by the advent of unprecedented competition. Of course, your attitudes have changed with time; you have now become a realist. You recognise and appreciate the contemporary business scene better. And your company is **now** beginning to look at the opportunity provided by deregulation and is endeavouring to change its structure and business processes to remain competitive.

It is tempting to evade the harsh realities, but escapism is a barren philosophy. The positive alternative, both for an individual and an organisation, is to struggle not only to survive but to thrive through difficult times, by being proactive and stronger.

While there are several lessons to be learnt, let me comment on a few important ones :

1. Change is possibly one of the simplest words in the dictionary, but its management is often an arduous process. There are no neat solutions. Each company has to evolve its own process of creating advantages and leveraging opportunities. From this perspective, GenTech's top management should have foreseen the future, proactively quantified a strategic case for change, and created a shared mindset for accepting change all around. Thus, corporate strategy and HR strategy should be planned and implemented in tandem. As you plan to create a shift in mindset from traditional 'accounts management' to 'relationship management', from selling a product to selling a solution, the possible concerns of the internal and external stakeholders should be addressed through candid communication. Further, this will require a re-look at the structure, and profile of your current and future human resources, and so on.

---

[9] The case analysis has been made by R.R. Nair who is advisor (organisation development) at Hindustan Lever and heads Unilever's business group training for central and west Asia. He has spent 25 years in human resources with the Unilever group, including secondments to London and Unilever Arabia.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Successful change cannot happen without addressing people's concerns. Honest and periodic communication helps people accept change in a positive way; therefore, change *per se* will not come as a rude shock; and anxieties can be effectively dealt with. The CEO articulates the need for change—a fundamental shift in the way the company is being run, and weaves the new organisational reality into the fabric of the company. Once the new vision is crafted, HR should play a lead role in mobilising commitment. Commitment will become widespread when there is consistency, transparency and involvement. Considerable training initiatives will be required in the professional functional skills (the 'What'), competencies and general business skills (the 'How') and business awareness (the 'Context'). If sufficient groundwork had been carried out on these lines, divisional heads like Ritesh Pant would have aligned themselves closely with the changes.

3. Change ultimately involves everyone in two ways. We have to implement the plans to bring about new ways of working. This in turn affects old ways of working. For example, you felt that with the focus on the top 500 accounts, you did not need a large sales administration team. This in turn meant that 25% of the sales team would become surplus. What's more, this problem would have been further compounded by the fact that seven years ago the company had cut staff by 30%. Does this mean that you would leave behind a legacy of downsizing ? Or, is there a way of initiating positive HR action so that the need for periodic, large-scale downsizing is reduced ? Fortunately, there are several solutions to this question. For example, coach and build new skills and competencies to enable people to remain competitive; redeploy people to meet growth requirements in current or new fields of activities; identify the high-fliers who are relevant to your company's future and put a ring of confidence around them. Recruit top talent continuously, rather than simply filling vacancies, so that you can provide a high-quality resource to manage more complex business situations. A company like yours undergoing a turnaround should treat talent management as a corporate priority.

4. At this point, I would like to clarify an issue that is often misunderstood. Weeding out 'weak players' will not destroy morale. In fact, their low productivity drags down the performance of all those they work with. Teams go underdeveloped, and high performers get discouraged and leave the organisation. Different organisations deal with this situation in different ways. As the head of HR, you will have to ensure that management decisions are not only fair, but are also seen to be fair. All these steps will help to create a strong performance culture. As you rightly observed, the definition of employment and employ ability will become clearer to people. The rationale for the proposed differentiating rewards based on performance will become even more clearer to Vishwas. With these new initiatives comes a new mindset, the requirement of an exciting and challenging workplace and the growing conviction that to progress one should take personal responsibility for fighting obsolescence.

5. And lastly, there is no 'final diagnosis' in change management, because the business context will continue to be dynamic and we have to learn to live with 'non-stop change'.

With all good wishes for the future.

CC-0. Panjab University Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION 2

BE MORE HUMAN[10]

In 1992, GenTech India responded to competition in the only way it probably knew—by increasing volumes and reducing margins. It is evident that the management did not understand the situation clearly, way back in 1992. It approached the problem in much the same way as people in an overcrowded boat do, right in the middle of the ocean—throw some people out of the boat so that everyone does not perish.

Well, there is not much else one can do when it is in the middle of the ocean and a menacing storm is brewing. In hindsight, one could have utilised one's resources to create a better boat while on shore.

In the current scenario, GenTech needs to evolve a vision for its business, a vision that is shared by its people. Pradeep and Bhrigu would need to monitor all actions that they propose so that they are in line with the vision.

GenTech needs to address the human issues with more caring. There is no doubt that harsh decisions need to be taken for the organisation to survive and grow. Still, the following steps would help the company retain some goodwill and increase the morale of those who stay on :

1. Do the entire exercise over a period of a few months and not drastically. During this time, provide opportunities to the employees to learn new skills that will fit into the new gameplan. After the training, select the best so that employees feel that they have been given a chance.
2. Let employees take their time to look at new job opportunities outside the company. It will ease the pain of transition and help them find alternative employment. It is easier to get a job while still employed.
3. The company plans to outsource many of the tasks to reduce costs. The employees should be given the first opportunity to take up the work. The company can encourage and assist them, especially in the first few months, by providing support in the form of training, capital, used machinery at subsidised rates or an extended credit facility so that they can set up small machine shops or other small units to take up the outsourced work.
4. While GenTech focusses on select large accounts, the next set of customers can be handled by channels consisting of former employees. These employees may need assistance and counselling, but they can turn out to be the best channel as they know the company, its products and services, better. Sales personnel can be encouraged to go on their own in small regional teams, become channel partners and promote GenTech's products.

[10] This case analysis has been made by K Ganesh who is chief executive of Bharati-BT and director, AT&T, is a alumnus of the Indian Institute of Management. Calcutta. He is part of the visiting faculty at leading managin institutes and has conducted workshops on managing exponential growth, management challenges in today's world and motivating employees in hi-tech industries, among other things.

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh. Funding by MoE-IKS

Gandhi Memorial College Of Education Bantalab Jammu

5. Before opening the product sales to channels and the retail trade, GenTech should see whether it can bargain with larger prospective partners to employ some of its sales/service personnel who are likely to become redundant. This will be useful for the channel partner as well. For the employee this may be a better alternative to being unemployed.

Such steps may help GenTech in easing the change process and mitigating the shock. The employees (especially the existing ones) will see that the company has done everything possible and, despite the downsizing, it cares about them.

Clearly, in the new era, employees also need to change. Let us look at what an employee can do to weather the winds of change.

6. **Broadbase skills :** An employee needs to ensure that he is not stuck with a narrow skill set. He needs to broadbase his skills and experience by volunteering for more broader assignments and not bet on specialised expertise. For example, if a R & D engineer has an open attitude and, over the years, picked up experience in other related (perhaps, strictly less technical) areas such as testing, assembly, customer support and trouble-shooting, it might make it difficult for the company to dispense with him.
7. **Plan :** Anticipate changes and take proactive learning measures. Invest in yourself. For instance, with large companies such as GenTech looking at fewer accounts to be handled directly, there is more opportunity in channel development, channel management and distribution. Attend a course in sales & distribution management, proactively seek out opportunities in the area.
8. **Learn :** It is important to upgrade skills. For instance, people selling personal computers and commodity office automation products can learn software applications so that selling solutions becomes easier.
9. **Be flexible :** Employees should be prepared to move into functions or locations they would have normally avoided. Typically, such developments take place over a period of time. By moving into new positions and locations, one can reduce the chances of being retrenched during a lay-off. This is especially true for people with skills that are not easily deployable.
10. **Be prepared for the worst :** In today's context, even being the 'best in class' does not guarantee lifetime employment. The market, the top management focus, competition, mergers and acquisitions—any of these may make a person's role or function redundant. So, be prepared for this scenario. Have, at least, an outline for a suitable plan of action to be implemented.

The case puts forward some interesting questions. If the purpose of the enterprise is to provide value to its shareholders, customers and employees, how does it create a sense of trust in the minds of its employees when downsizing/rightsizing becomes a reality ?

Have the changing times brought the reality to the Indian markets that employment is purely a function of the employability of its skill ? In these times, an enterprise creates a niche for itself primarily because of its ability to manage its intangible assets—its people.

How does a company get its employees to participate in business processes without making them afraid of losing their jobs ?

These questions are what top managements need to consider while defining their vision for the future.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 48

HOW IMPORTANT IS HR ?

New entrant Belnoir was to hire the HR head first before filling other key posts. But it wasn't sure what kind of person fitted the bill

Ashim Vaid had a pen in his hand but didn't know what to write. He wanted to list the attributes of the person he needed to head the human resources (HR) department of Belnoir India, the Indian arm of a large multinational company (MNC). Vaid had recently left Delton India to join Belnoir as its country head. Belnoir's director (new markets) had left it to him to form his team, but Vaid was finding it virtually impossible to define the kind of person he wanted as the HR chief.

For Vaid, heading Belnoir was both a heady and an awesome development. Every move he would make hereafter would chart the course of Belnoir India, and his own career. But when he met Arun Kamat, an ex-colleague from Delton and now the CEO of Teffer India, a consumer durables MNC, Vaid experienced his first paradigm shock. "Don't hire the operating heads first," advised Kamat. "Hire your HR man first and everything will eventually fall in place."

It did not make sense to Vaid. There was so much spadework to be done in distribution, market planning, product evaluation, he felt. What would an HR man do before all that was in place, he wondered. At Delton, Vaid had seen HR play a very limited role. It merely looked after payrolls and promotions. Increments happened on time, job rotations happened naturally, appraisals took place every year, career progression took place naturally. At a fixed time every year, management trainees were inducted into Delton and put through the mill. Everything happened as a matter of course. In short, there was a certain predictability about what would happen next.

Once this very predictability had annoyed Vaid, even frustrated him. And because everything was so predictable, his impression of HR was that it was a backroom operation that merely kept the organisational machine working, a department that ran the lives of managers and made it comfortable. Kamat's view was diametrically opposite. "Today, the HR function has become crucial because the employee market has become very competitive and the demands have become very specialised," he said.

Kamat felt that Indian industry and business had evolved to a stage where it was acknowledged that only an HR person could have a holistic perspective of the organisation. "An HR person is immune to technology or capital," he explained. "He is also supposed to be neutral across functions. Therefore, he will give the same weightage to marketing, finance, sales and accounting because he is equally concerned with all the employees who perform these functions."

Kamat had come to realise that HR played a very visible role. At Teffer, for instance, the six top people came from vastly different backgrounds: one was from a chocolate company, another from a foods company, yet another from a cigarette company, while two had worked for a soaps company. Two of these companies were British, one was American and another Dutch. Each of these six people came with conditioned mindsets and exerted subtle pressures to impose their culture on the organisation. However, the HR department of Teffer was vested with the role of integrating all of them into a totally new culture at the company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by MoE-IKS-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Vaid listened to Kamat's experiences but felt that he was in a different situation. He knew that he had to set up a company from the first stapler to the last stockist; from furniture and fittings, to creating a work environment. More important, Belnoir had to nurture the critical relationship with its suppliers and vendors and Vaid needed someone who understood relationship building. He could hire an administration manager later to oversee the nitty-gritty, but at the start-up stage, Belnoir needed an HR man in place to design the organisation structure, the reporting relationships and the job gradation.

But he wondered whether the HR skills available were capable of handling the changed needs of today's business environment. How would an HR professional from a 30-year-old toothpaste company cope in the dynamic environment of a company like Reebok ? "That HR professional has grown with a certain mindset about managing people. He comes from an era of protectionism where his role was very limited. Training programmes, job rotation and crisis management were all he ever did in his company. But today, when the demands are skills building and cultural integration, how can he cope ?" asked Vaid.

Kamat would not agree. He felt that even protectionist India had posed ample opportunities for diverse HR prescriptions. "Protectionism had its own complications which needed HR intervention. For instance, the mindsets of workers in ITC's Munger and Parel factories were vastly different. The factories produced the same Capstan cigarette but the HR initiative that motivated the Munger worker was very different from what motivated the Mumbai worker. Also, different parts of the same company are often in different time zones. What the Mumbai factory encountered in the seventies and eighties, the Munger factory encountered in the eighties and nineties. The HR department was expected to bridge that time difference," he said.

Kamat felt that there was no formula which prescribed different skill sets for different periods. Circumstances and external pressures varied from year to year and it was for the HR professionals to adapt to the change. "It's not as if the country is tasting liberalisation for the frrst time. India in the fifties and sixties was very liberalised. Protectionism really came only in the seventies," he added.

However, Vaid, who was entering a liberalised environment, felt that Belnoir needed an HR person who had experienced global competition. "Today my needs at Belnoir are much more than mere payroll administration and grade structuring. From what you are saying, I can see myself faced with specific issues like cultural integration, team building as well as routine tasks like training and job rotations. How am I going to find an HR man who can handle all that ?" he asked.

"HR is a very experiential field," said Kamat. "There is no theory here, unlike marketing or finance. There may be patterns of employee behaviour, but these are not standardised patterns like in physics or mathematics. I would look for someone with HR management experience, but what his academic background is does not matter. You could hire a generalist who can administer as well as work towards organisational development. For specialist tasks like team building, you can retain a consultant for that purpose only," he said.

Vaid's whole perception of HR was undergoing a change. As an employee at Delton, he had seen only the maintenance function of HR. But now that he was to carry the can for failure, Vaid wanted to ensure that he hired the right people. "I need a guy who can hire the right people,

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

who can keep them integrated, who can keep their skills upgraded, who can watch over their stresses and herd them towards the vision of the company so that they feel enthused. Teams have to be built, a unified vision has to be crafted. Where will I find the time if I am out of the country 15 days a month ? The kind of person I need must be able to build teams, manage change and ensure that the departments and people in the organisation move in unison towards its goal. He must be able to change these caps as the circumstances demand," he said to Kamat.

"Firstly, I don't think these are watertight compartments," said Kamat. "Also, a person's outlook evolves over time. The HR professional from a company like Delton does not leave behind his learning when he moves to another company. He carries that along with him. The role of HR has enhanced to scope today but we must appreciate that some of the roles HR professionals are called upon to perform today were not required earlier," he said.

"Like what ?" asked Vaid.

"Take a new company setting up shop in India. There will be multi-cultural people joining; new brands, even new products like pagers, will be entering the market. You need to carry your employees with those brands and make sure they carry the brands with them. While building brand equity, you must simultaneously build people equity. If a company like Hindustan Lever launches a new soap today, there will be no major tremor. Even if it launches 10 new soaps, nothing will change for the company because it has been doing the same thing for decades. But if you have people and products that are new, you need to get them all into a cohesive movement, in sync with one another," explained Kamat.

Vaid was listening intently. "You might have a former marketing executive from a cigarette company pushing pagers in the market, or an oil buying manager heading a firm manufacturing bubble gums. Just think of the diversity in functions. At the first level, you will need to integrate your products and your people so that the employees begin to 'think' your product," said Kamat.

"And how is an HR head, who has been in a toothpaste company or a steel company, now going to achieve that ?" Vaid wanted to know.

"Look, it is not as if it's a new skill to be learnt," said Kamat. "In India, even in the seventies and eighties, HR initiatives were very much there. Only in the nineties was it realised that the ability of an organisation to perform consistently is no longer a function of the capital or technology it employs. That sustained performance is only going to come from people. Having realised that, organisations are now saying we need sound HR skills."

Kamat felt that the boundaries of specialism were rapidly disappearing. As knowledge became more accessible, it was better to use high-powered generalists, he felt. "Does that mean a line functionary can be made responsible for the HR function ?" asked Vaid.

"Why not ?" asked Kamat. "The holder of the skill set need not be an HR professional. He could be a line manager who has spent significant time in HR. At the same time, one must not confuse the issues here. Transiting through HR is a viable growth need for any line manager, but what this function needs is much more. You are going to manage and develop a resource base of about 5,000 employees which, at a Rs. 1.5 lakh average annual cost, is an asset base of Rs. 75 crore !" said Kamat. "You need to have a person who can manage that asset."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Yet, Kamat would not undermine the role of the line functionary in HR. As Teffer's CEO, he had defined the line management function to include organisation skills and people management skills. As a result, his HR department was executing only the specialist functions of HR. "It's the line manager's duty to deliver culture, to build efficient teams. The HR functionary, whether he is within the organisation or outside, is available to me as a resource to make this happen. But maintenance and development of this culture is no longer the sole responsibility of the HR department. It's the responsibility of the line functionaries," said Kamat.

This was happening in a number of existing amd newcomer MNCs. "We started off our HR function at a basic level to lay out the bare infrastructural needs. We had to get the office in place, hire people, find homes, cars and drivers for them. We had to manage the complex issues of expatriates and their compensation, some amount of government liaison, and so on," said Kamat.

Once all that was in place, the HR function evolved to encompass bigger issues like business strategy and organisational goals. "That's when the HR function starts looking at the kind of skills needed by the company. For instance, what are the competencies required if the company is launching fuzzy logic washing machines, or four-door refrigerators and other household goods ? How does it ensure that a person who has been selling toothpaste until now can develop the skills and mindset to sell washing machines ? Can it put together a cross-functional team ? Can it share knowledge and learning ? That is the stage where HR becomes proactive," explained Kamat.

The last stage, Kamat went on was visionary HR. This was the stage where the owner, the promoter or the CEO put together a vision for the organisation and HR put together a set of processes to achieve that vision. "So the company is no longer strategic, it becomes visionary," he said. "In the visionary stage, the HR function bridges the gap between what the company is and what it wants to be. At Teffer, we view people management skills as an important factor of leadership," he said.

"How does HR ensure the integration of brands and people ?" asked Vaid.

Kamat cited the example of the service industry. "The systems that ensure that the McDonald's brand is perceived as a friendly, efficient, quick-service product, is a function of HR management. McDonald's employees are not sloppy : they look smart, they are friendly. The HR department ensures that the company has the right systems for recruiting the right kind of people and it ensures that they are getting the right training. That's the backroom work done by HR and is part of the product delivery. That's how it created the right brand image by building in all those attitudes to quality and efficiency. You have to get your people aligned to the brand's equity," said Kamat.

"But aligning our people with Belnoir brands and its global equity will be a long haul," said Vaid.

"You can't get away with that plea anymore," warned Kamat. "For how long can we remain different ? If not immediately, the parent company will expect you to be aligned with its brands five years hence. It will say : just do in Delhi what we do in Detroit. So, you need to start that alignment process today. And for that, you need to get your HR act in place," said Kamat.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"In a protected environment, companies tend to be lethargic when it comes to taking proactive initiatives. They are willing to go only thus far and no more because the returns do not justify the inputs. But in the cut-throat market of today, where employee turnover is very high, companies have to be more careful while managing their resources. The way a company manages its employees' salaries, promotions and growth charts today is a far cry from the way these areas were handed in the past. So, the kind of HR skills you will hire will be more focussed."

Even more important was the HR department's role in upgrading and evolving the mindsets of the workforce and managers. "These are people who have also worked in a protected environment, where they had safety nets to buffer mistakes. Today, the same people are going to face a tougher environment. If you remember, at Delton everyone usually sent copies of their notes to the legal head. If anything went wrong, they had someone to fall back upon. That risk aversion was perpetuated over the years in the company. People became 'precedent' conscious and began to justify conformity to past practices, simply so that there were not too many departures from the HR manual," Kamat said.

Vaid did not have any HR manual to go by. The simple rule was to carry the people along with the brand. It appeared difficult to him because both the brand and the people were new to him. The concept of a democratic corporate, which was by the people, of the people and for the people was new to him. "How do I do it ?" he asked.

"Let's look at what the drivers are," said Kamat. "The advantage of the old setup was that the brand equity was already established. So, employees could easily be enthused to associate themselves with names like Hindustan Lever and ITC. In that association, they found recognition and developed self worth. So, there is a pull factor for those big, respected names. Belnoir is a great brand outside India but it still has to earn a saliency in India as a marketer of successful products, as a caring employer and as a company where one can grow."

"You don't have the pull so you must project the right image to attract and retain talent," continued Kamat. "When I recruited or interviewed a person at Delton, I knew I was in a buyer's market. I had something to offer which I knew he was willing to buy. The job-seeker had to do the selling and I had to decide whether he would fit in. Would he contribute, would he be an asset ? So, all I looked for was his competence and his adaptability. I was neither anxious about whether he would be choosy about joining the organisation, nor concerned whether he would find our products and brands competitive. In those days, the question of the candidate carrying the brands with him did not arise at all. The brand flag was already flying high. Even if we were planning to bring in new brands, we were not dependent on the people to sustain those brands. The systems were already strong, the momentum was already there, and the equity of the existing brands was strong enough to carry every subsequent brand. So, even when a brand bombed in the market, it was not attributed to a brand manager's failure to nurture it."

All that had changed today and Vaid knew it only too well. "To build brand equity, you need a sound human resource base, a base that you align with your brand and organisation. Finally, your own equity as a sound business leader depends on all that. So, get your HR man first and everything will fall into place," ended Kamat.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Vaid was a bundle of confusion. What kind of person do I want to head HR at Belnoir, he asked himself. Should he be a person who can bring in stability and soundness to the practices in the company, which gives rise to faith in people that the new company is well structured ? Or should he be a person who is very intuitive, very analytical, and has implemented innorative ideas ? Vaid had no answer.

POSSIBLE SOLUTION

A CRITICAL CHOICE[1]

The situation in which the CEO of Belnoir finds himself is not unusual. Presented with the heady proposition of setting up a completely new organisation along with the absolute freedom to take decisions, he also has to cope with the awesome responsibility for getting things done right and the concomittant implications of failure. The predicament that Vaid faces can be resolved through several initiatives which have to be addressed simultaneously. Firstly, the CEO must decide the business he wants to be in and the customer audience that he wishes to address. This has less to do with conventional descriptions of the business such as "consumer durables" or "washing machines" but answers questions like "Do we want to be price leaders, product innovators or niche marketers ?" He must define his customer audience not only in terms of demographics but also in terms of those attitudes and preferences that he expects his business to best cater to.

The organisation that Vaid will head must reflect his business vision and values. The people selection would flow from these. Does he want an extremely focussed organisation concentrating on quality, cost, speed of implementation and the disciplines that will ensure these objectives ? On the other hand, he might wish for an extremely flexible/innovative approach to the marketing and selling of his products to the best satisfaction of his customers. Along with this, Vaid has to do some serious thinking on the values that will drive his organisation. These obviously have to reflect his own value set.

Talking to Kamat who is an ex-colleague of his from the Delton days and whose views he obviously respects, has certainly provided Vaid with relevant inputs for meeting the challenges he faces as CEO of a brand new organisation. However, he would do well to talk to a few more persons who have had similar experience in setting up new organisations. Recruiting and putting in place the core team of top managers is undoubtedly a priority for Vaid. Choosing and recruiting his head of HR would be an obvious and practical first step. With the HR head in place, the recruitment of other key managers could take place expeditiously. The nuts and bolts of settmg up the physical organisation could also be addressed with relatively less personal involvement by the CEO. He must, however, take the greatest care in choosing the right person for a very critical position in his organisation.

---

[1] This case analysis has been made by R J. Masilamani is the managing director of Timex Watches. An MBA from the Indian Institute of Management, Ahmedabad, he was earlier vice-president (manufacturing operations) at Pepsi Foods. As general manager (diversification) of Voltas, he was closely associated with Pepsi Co. in drawing up a plan for India.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The CEO should choose an HR person who possesses the skills to design and implement HR systems that would deliver on the business strategies of the new organisation. These would include recruitment, training and development, and retention. Imparting core capabilities, including communication skills, problem solving and systems building skills, would be central to the development of a capable and versatile workforce which could face the challenges of a competitive environment. The HR person would have to be an excellent team player who is able to build a good rapport with his colleagues as well as take them along the course that the company's vision prescribes.

Importantly, the HR person must be result oriented, particularly in committing to and meeting targets of increased productivity, quality and cost performance. Unfortunately, too often in companies, many of the HR systems, specially the training systems, are focussed on inputs like the number of days of training per employee and the total number of training packages. Today's organisations have to deliver in a fiercely demanding market situation and employee improvements through training and development initiatives have to deliver tangible results, apart from the conventional claims of improved morale and motivation. Empowered employees must actually deliver improved output in quantitative as well as qualitative terms.

The HR person must be encouraged to develop people-oriented systems. He should guard against the danger of person-oriented systems. It is also necessary to decide the orientation that the HR person should have. It is in this context that the specialist generalist issue should be considered. The HR person cannot exclusively be a specialist or a generalist. He has to bring to his job both types of skills. A good grounding in basic HR practices, particularly as they apply to the Indian environment is a must. This knowledge can be acquired over time, but in a new company with many tasks before it, it is preferable to have a person coming to the job with these skills. To deliver effectively, the HR person would have to apply specialised skills in areas like employee relations and development of compensation packages. However, he must develop and maintain a generalist orientation when dealing with aspects like team building and other organisation effectiveness issues.

The onus of binding the senior management team together and strengthening individual capabilities in his team members will have to be the primary responsibility of the CEO. He cannot delegate this to the HR person or any of his senior managers. The CEO has to function as team leader, coach as well as be a friend, guide and counsellor to his key people. It is he who will bring credibility and consistency to the pursuit of the organisation's vision. It is he who will have the final say in determining strategic moves and deciding resource allocation. It would certainly help, though, if the CEO consulted his senior colleagues and developed a consensus.

The HR person can and should play a crucial part in working towards a common mindset for the organisation. He must build credibility with his colleagues through prompt and effective delivery in areas of his functional responsibility. This includes sound recruitment good training and, above all, well oiled and smoothly functioning admnistrative systems.

Finally, the CEO should look for a person who reflects his own mindset or who is amenable to accepting it. He must choose not just a subordinate but a person who can, as head of HR, play the role of a catalyst and who will be a worthy comrade in addressing the challenges that his young organisation must face before it matures into a healthy and successful market competitor.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION 2

GENERALIST VERSUS SPECIALIST[2]

If you were to measure the HR orientation of Vaid before he joined Belnoir and Kamat after he took over the reins at Teffer, they would perhaps represent the opposite ends of the scale. However, Kamat's views sound occasionally extreme: "Hire the HR man frst!" is a good example. (Why not hire the finance head first using a similar logic ?) His "speeches" remind one of John Galt in *Atlas Shrugged* : very well thought out, logical and yet, having no respect for any other point of view. This, in essence is the anti-thesis of good HR; it represents only the "systems" concept of HR and not the "people" concept.

The role of HR is influenced by the same considerations as any of the other important resources in an organisation. Just as the marketing role is influenced by the kind of supply-demand situation, just as finance can become an accounting function in certain situations, and just as the role of the technical or quality function can be very different in a process industry and a trading organisation, so also the role of HR should suit the needs of the organisation. We are not implying that all the facets of HR cannot be used in all situations; merely that the HR strategy would differ and, therefore, the role of HR would vary.

One of the common complaints of the anti-HR lobby is that HR needlessly creates problems in order to be able to solve them. Unfortunately, this is true to some extent. Team building efforts could lead to inter-group rivalry, as opposed to rivalry between individuals, and performance appraisals and career plans that are not thought through could make the "means" much more important than the "end".

It is this confusion between the means and the end that also has influenced the evolution of HR in some ways. Often, the discovery or use of a new HR tool is hailed as a new approach to HR itself. In essence, what the HR function seeks to do is enhance productivity both in individuals and in teams. If this is done through attacking the symptoms (absenteeism for example), then HR is dubbed as a maintenance function (or as the personnel function). However, if the HR approach to increasing productivity is by looking at the causes, (why are we unable to retain people ?) it is termed strategic. When the approach not only covers existing but also potential causes, HR is termed visionary.

Does all this mean that it does not require any specialist skills to carry out the HR function? Kamat at one point argues that any line manager could do the job, and somewhere else says that line managers perform only the front-end HR operations while the "specialist" jobs are performed by the HR team. The inconsistency can only be explained (which Kamat does not attempt to do) by grouping the functions of HR into a general and a specialist category.

Kamat also emphasises the "experiential" aspects of the HR role. The truth is that this is not limited to HR alone. An experienced car driver with no formal training can not only identify when the engine needs tuning, but do it also. We know of people with good "marketing savvy" (as distinct from "marketing knowledge") who are able to launch successful products.

---

[2]This case analysis has been made by Arunav Banerjee who heads the HR consulting group at Price Waterhouse. He has earlier worked in the human resource development function in organisations like Modi Xerox, Eicher and Bharat Electronics.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

What does a business management programme teach that cannot be picked up by experience ? Nevertheless, a trained HR person would, on an average, be able to function much more effectively in productivity enhancement than an untrained person. One of the main reasons for this is that a much larger knowledge base of alternatives is available to such a person. Do we have skilled HR persons available in India? Yes, but not in the numbers that we need. And if you add to that an MNC's typical bias for factors such as age and experience (at least 8-10 years), finding such people for Belnoir is not a very easy task.

So, what should Vaid do ? Hire an HR manager definitely. Depending on the size of the organisation, this could be immediate or deferred. If it is deferred, this would mean that the HR support would come from the parent company in the US. What kind of a person ? Not a traditional HR person for maintenance of existing systems; so it has to be an MBA. However, Vaid needs to determine whether such a person would fit into the organisation in terms of beliefs, vision and strategy. Needless to say, this would be true of all the other key members as well. And it is important to understand that we are not talking about "yes men". And finally what should be the role of HR ? Very clearly, to provide the right environment in order to enhance productivity. The means could be left to the new appointee !

ILLUSTRATION 49

FROM DIVERSITY TO UNITY

A diversified group, Morro had merged under one umbrella all the companies it had acquired. Now it had to merge the mindsets of a diverse group of employee

Arindam Basu was at the end of his tether. The mind-boggling matrix before him was just not making sense. Basu was trying to see if there was a common thread in the work cultures of the various groups he was dealing with. But no matter how much Basu, the training manager at Morro Industries, juggled the variables, there were no signs of any similarity among the brands, product categories, geographical regions and market dynamics in which the various members of the sales force operated before they were brought under the Morro umbrella.

Twenty years ago, Morro was an oil manufacturing company with a small presence in dairy products. Over the years, Morro diversified and acquired skin care, foods and fabric care businesses. Morro's hair oil brand Kesha had a steady market in the south. Its managing director, Shantanu Grover, felt that hair care was a natural complement to Morro's cosmetic care business. So, in the mid-nineties, when liberalisation forced companies to relook their portfolios, Morro bought Satin, a regional herbal shampoo brand, from the Karnataka-based Suraksha Enterprises. Morro also bought Suraksha's mass detergent brand, Ujjwala, which fitted in well with the company's fabric care business. Likewise, Morro picked up an Uttar Pradesh-based fruit processing company, Favor India. With Favor came a fruit drink brand Fruitola, and a range of jams and canned fruit.

In 1997, Morro decided to merge all its acquisitions under one umbrella. Grover wanted a lean organisation, both in terms of numbers as well as costs. He reckoned that the merger would enable him to end duplication of functions in finance, sales and administration and plough back the savings into developing the supply chain and beefing up sales and distribution.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The merger brought together five sales teams from different companies and Basu's task was to review and upgrade their negotiating skills to make them work as one. His training programmes were derived from a continuous evaluation of need gaps in the various divisions and touched upon aspects like functional skills, interpersonal behaviour, negotiating abilities and team building. It was this attention to training that had brought success to Morro during the lean eighties.

But collating the sales staff of five different companies was not an easy task, and Basu was beginning to realise this. The acutely differing cultural viewpoints of the five teams worried Basu. For instance, Charu Vardhan, the area sales officer of (the erstwhile) Suraksha Enterprises, said : "I wouldn't really try to drive a hard bargain. The intention is to ensure a cordial long-term relationship with the stockist; it doesn't matter if you are giving him an extra per cent." Vardhan's gentle approach was, in all likelihood, based on his two decades in the Suraksha system which had always been very considerate towards the trade and rather soft in its orientation.

On the other hand, Vikas Malik of Morro's Kesha team sought visibility and high growth. "I don't waste my time on retailers who give me less than 15% growth. I leave them to the stockist. The ones that clock more than 15% are easier to convince and deal with," he said. Today, both Vardhan and Malik were part of the same team since Morro had brought all hair care products—including Kesha hair oil and Satin shampoo—under one profit centre.

But the stark differences in the antecedents was evident. Kesha had been bred by Morro while Satin had grown under Suraksha in the conservative south Indian market. So, while the Satin salesmen had the fair and forgiving culture of the south, the Kesha marketers, who had worked in the fiercely competitive metro markets, were quite the opposite. To some extent, the aggressive culture of Maadhyam, the edible oils brand, had rubbed off on the Kesha salesmen. The edible oils managers were very aggressive marketers, who pushed and pushed till they surpassed their targets. Kesha and Maadhyam operated from the same office, had a common management and shared the same distribution network. In fact, the edible oils business had opened the rural markets for Kesha.

But there were disparities even within the Maadhyam team. The attitude of the rural marketing team was shaped by the kind of retailers and stockists they were dealing with. To the rural stockist, the man supplying Maadhyam was more of an adviser than a salesman. He virtually decided what—and how much of it—he should stock. Therefore, he was a dominant influence on the stockist's business. The situation was just the opposite in the metros, where the stockist called the shots. If he did not agree with the sales officer's stocking plan, he spoke to the Morro bigwigs who shopped at his outlets.

There were differences in the other categories also. In skin care, for instance, size didn't matter in the rural context. Market penetration was so critical that even a Rs 15,000 per annum stockist was valuable to the sales officer. But in the mature metro markets, penetration was not the issue. Instead, the sales officer was more concerned about his brand getting the pride of place in the retail outlet amidst the crowd of rival brands.

Likewise, there were more than three kinds of salespersons pushing Morro's fabric care range. The salesman handling the liquid detergent had a mindset very different from the salesman selling the mass detergent powder brand Alayn. He, in turn was poles apart from the salesperson who pushed the mass market washing bars. Not only were the markets in which they operated different, the segments they targeted were also vastly different.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2085-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Then again, the teams looking after the rural markets for all these products were also different from their metro counterparts. The metro salesman interacted in English and was probably a business school product. The rural salesman was more comfortable in the local dialect and his sales pitch was not so aggressive. The men who sold the popular brands and those who sold the premium brands were also very different.

Flummoxed as he was by the variety before him, Basu could see that each category and every market required a different approach. The relationship with the trade in each market was based on very different factors. Whether it was discussing the width of coverage with the stockist or shelf space with the retailer, the approach adopted by the salesperson depended on the kind of business he was representing and the culture of his erstwhile company. For instance, the conservative Favor salesman was used to a nominal 2-3% growth, unlike the edible oils, fabric care or skin care salesmen who were forever chasing high growth targets. Yet, he was not soft in his approach like the Satin shampoo man in Karnataka. Beneath the gentle push which was suitable for a mature market, was a tough aggression derived from his north Indian ancestry.

As he sat in his office wondering how to tackle the problem, the word 'culture' flashed in Basu's mind. It took him back to his days at the Indian arm of an American soft drinks company. The parent company had invested vast amounts to integrate the cultures of the top management that was drawn from four different companies. In comparison to the challenge before him, that appeared as simple as blowing a bubble. At Morro, he was facing 25 men from five different businesses.

During the tea break, Basu decided to think afresh. "Yes, the physical organisation has changed, but the business dynamics have not," he reminded himself. "Or have they, by virtue of the merger ?" Yet, there was something incongruous about five teams with distinct attitudes to selling, attitudes that were more than market-oriented. Basu decided that he had to first identify a common dialect of sorts that would deliver the same value to each of them.

Basu tried a small mental play. He put himself in the shoes of a sales officer who sold Taru skin care and imagined walking into a retail outlet. He was trying to see what attitude he adopted, the data he prepared for the interaction and what kind of information he must have with him when he met the retailer or stockist. He repeated the same exercise for Kesha oil and Satin shampoo.

The results were far from satisfying because though the situation was the same, the responses were different each time. "God!" he sighed. "He may be selling Satin or Fruitola or Maadhyam, but each salesman is first selling a Morro product. So where is Morro in all this ?"

Ironically, the same differences had cropped up at a negotiation skills programme Basu had held for the personnel of each of these companies two months ago. However, at that time Basu had not perceived it as cultural diversity. Kartik Raja a Morro man and the personnel manager for the northern region, had cited the example of how the union had accosted him for coolers on the shopfloor. "In the north, it is common for 20 union members to barge into the mdustrial relations manager's room and talk in unbridled aggression about their demands. It is certainly a very provocative approach" he said.

" So, how did you respond ?" Basu had asked.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"I adopted strategy for strategy," said Rajan. "I didn't get provoked. Instead, I asked why so many of them were away from the shopfloor. The first thing I did was send 10 of them back immediately, thereby splitting their strength. Indeed, two people are easier to handle than four."

The personnel manager from the south, an erstwhile Suraksha man, was amused. "At the Satin plant, so many people will not come to you. Probably just one man will come and very politely tell you about their demand. Later, may be about six-seven union members will come and say that they need to discuss the matter in detail, or there would be a problem."

Basu knew that this difference in approach was essentially regional, which a company could not change. But he realised that Morro needed to adopt a uniform approach in handling aggression or union demands, irrespective of the region.

He recalled what the western region industrial relations manager at Favor had said. "Oh, we have very strong unions which have a strategy for everything. The union leaders are good psychologists. They can pre-empt a move even before it takes shape in your mind. They will not get involved in small issues and will straightaway talk of a court settlement. But they are typically split into rival camps."

Basu felt that the human resource function had to be tailored to suit regional differences. The problems at any branch or factory were largely dictated by the situation in the state in which it was located. But he also believed that there had to be a common corporate strategy for intervention and negotiation. The experiences of the personnel team and the sales team weren't very different, he reckoned.

Basu also saw how regional differences manifested themselves in behavioural patterns. For instance, managers from Delhi were brash and noisy. In stark contrast, the Chennai managers were polite and wouldn't think of interrupting a conversation. Typically, a Chennai manager would say 'excuse me' before he interjected, whereas a Delhi manager would bulldoze his way into the conversation.

Also note worthy was the fact that their erstwhile corporate ethos was clearly imprinted on the minds of the Chennai team. They came from a company which was very personalised in relationships. Asking about the family's welfare, for instance, was common among colleagues. This attitude was mirrored in the way the sales force dealt with their customers.

Also, there was a certain element of generosity. When the Satin team came for a quarterly sales review, the sales head distributed samples of the new shampoo. But the sales head of Morro, which was headquartered in Mumbai, exploded : "What ? Free samples ? Who is bearing the cost ?" So Morro's head of sales for the southern region did not distribute samples; he distributed product brochures.

With such a varied menu, Basu wondered whether he should seek a unified cultural approach for Morro. If he did that, what would happen to the regional culture that had driven the business till now ? Should it be intra-company integration, functional integration or national integration he wondered. Transnational companies worked on integrating global cultures, but here he was finding it difficult to evolve a common culture among five Indian companies. He wrote out a note to Chandrasekhar Bangur, the human resources director. *'We need to have an integrated approach. A business may vary according to regions, but there has to be a single culture that governs the company. That is going to affect the way we negotiate, the way we build teams, and the way we deal with the markets. If we have a common culture, a common mission, the message reaches across the company and the country.'*

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Bangur and Basu discussed the matter in detail and finally approached the managing director, Shantanu Grover. He heard them out and said : "We need to find a common thread which would stand for the culture that we want in Morro. We cannot reject what these people from these five companies have brought in. We cannot say that since Morro is very successful, it need not change the way it looks at things. These companies were bought because they are very good, and they are that because of a culture they have followed all these years. So, we take some, and leave some, of their attitudes. Why, we are going to reject some of our own attitudes. Such a review is necessary, given the diversity of the brands and products in Morro's portfolio and the differences in values and practices. May be we are deriving our corporate personality from this very diversity of products and brands."

Basu agreed. He had met the head of each category and realised how much their brands influenced their perception of Morro as a company. For instance, the edible oils division head believed in the health platform for the Maadhyam brand. That attribute spawned the other qualities linked to Maadhyam : trustworthy, enduring, reliability. The sales force too believed in the supremacy of their cooking medium brand which lent a halo to the entire category.

Likewise, the highly successful and trusted Kesha hair oil stood for ancient ayurvedic wisdom. Or the hugely popular detergent brand Ujjwal, which was touted by the company as a low-cost and high-performance product. The fruit processing company Favor epitomised steady growth that was derived from Fruitola's success.

But confusion continued to dog Basu. "What should Morro's new personality be," he wondered. Cost-effective, and reliable like Ujjwal, mature like Fruitola or gentle and secure like Kesha ? How could a brand's personality have an effect on the corporate personality ? Yet, Sudhir Dalvi, a Satin sales officer, had said: "When a customer thinks about Satin, the attributes that come to his mind are gentleness, caring and reliability. That makes him think about the company as caring and trustworthy." Dalvi's thought process worked in the same manner. "Suraksha is a caring, fair and honest company. It looks after its employees very well" he had said.

Basu had also asked a Morro salesman to define his company. "Morro is task-oriented and aggressive. It delivers value, cannot do wrong and is bottom line-oriented. Working here is a stimulating, challenging experience," he said confidently. Clearly, the Morro man did not use adjectives like caring and trustworthy to describe Morro because those qualities were taken for granted.

A remark by a Favor sales officer intrigued Basu. As long as we were on our own, we stood for innovation, research and new products. I don't know whether that still applies," he had said when asked to describe his company.

Elaborating on his anxiety, he said : "When I joined Favor, they put me through a series of orientations, workshops and training. They took me around and introduced me to everyone. At Favor, we gave a new entrant nearly six months to find his feet in the organisation. But here, a new man gets over with that just two days. After that he has to find out the names of people and their designations on his own."

Pritam Singh, the senior sales manager at Morro's edible oils division, had said : "At Morro, if you cannot help yourself, it is bad news. It is the survival of the fittest. You get down to business quick," he said with an air of authority.

A debate ensued, "I have seen how our meetings work here," said the Favor man. "At Favor, when presentations were made, the audience observed complete silence. No interruptions were allowed. But here the speaker is bombarded with all kinds of interjections."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

"But that's how we are," countered Pritam Singh. "You guys are used to a very careful, cautious, risk-averse style—just like your erstwhile company. You are always weighing and watching. You take 18 months to launch a product from the time you go into research, during which time others would have launched and even withdrawn their products." Then, addressing Basu, he asked : "We don't want that kind of work culture, do we ?"

Excusing himself for the interjection, the Favor man said : "Neither do we want the aggressive Maadhyam style. That needs to be toned down."

"There can be no other style," declared Pritam Singh with an air of finality. "The market is so ruthless that we can't afford to be soft. Ten years from now, we may even have to close some divisions if they do not deliver the growth we need."

Later, Basu narrated these exchanges to the managing director. Grover thought for a while before speaking his mind. "We have a presence all over the country. We can't look at the businesses as Kesha or Satin or Fruitola or Maadhyam. We have to look at these as different product categories and different markets. In a physical sense, too, the head office of these companies will also now be different. We are one company and everyone must have a single driving force. But integration cannot mean a conglomeration of five cultures," said Grover.

"It has to be a serious integrated approach to get everyone to think that this is his company. Otherwise, we will have a scenario where Satin and Fruitola may feel they have been bought over. As it is, when the merger or acquisition was announced, the middle-level management at Suraksha felt that Morro would decimate them and they would have no role to play," he continued.

Basu was all ears as his managing director poured forth his plans. "The sales effort must be based on a common cultural fabric. Therefore, it will be contradictory to reject their cultural entirely. After all, even the Morro culture is not sacrosanct. But there should be a buying in of the new culture where the constituents see that we, too, want to recast our culture. There will be a wall as long as they see it as 'you versus me' or 'them versus us'. Our real culture lies in the market place and that is where the real integration will take place."

The task before Basu was really daunting. Strategising a merger or an acquisition was tough, but the post-merger adjustment strategies were far tougher. He had read somewhere that it took seven years to form a habit or break away from one. Morro would have to accomplish the process in a much shorter time. "But where should I begin?" he wondered.

POSSIBLE SOLUTION – A ONE CULTURE, DIVERSE STRATEGIES[3]

Pass the buck. That's my first advice to Arindam Basu, even though it is completely contrary to what I would normally do. The problem that Basu is grappling with rightfully belongs to the managing director's desk. Shantanu Grover should be most concerned about creating a common corporate culture, which must then flow down across the company and through all functions, including human resources and training. There's no point in the tail wagging the dog.

---

[3] This case analysis has been done by Nitin Gupta who is the managing director and chief executive officer of GE Capital TFS. He has worked earlier with Unilever-Pond's, American Express and Contract Advertising.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Is corporate culture soft nonsense ? While the need for a corporate culture seems difficult to argue against, is there a 'hard' reason why it makes business sense ? Yes there is, specially in the case of a company like Morro, which has grown into diversified markets through acquisitions. It is an option, of course, to let skin care, hair care, fabric care and foods operate as independent businesses with their own cultures. If Morro viewed these merely as investments, that is what it would do. But Grover's view is different. He has acquired all these businesses for Morro with an eye on complementarity. He wants synergies, and a strong single business. He sees the potential in a common sales force and common distribution channels. That makes sense, but will require people from diverse companies and cultures to work together. Only a common corporate culture will make the whole greater than the sum of the parts.

THE COMPANY BRAND

A concept stronger than corporate culture is that of the company brand (pioneered in India by contract Advertising). The company brand is an opportunity to add value larger than the individual brands sold by the company, or their individual product features. The concept provides focus and direction within and without the company. It can enable a company to create enduring relationships with employees, customers, suppliers, distributors and retailers. The company brand is (or can be) much more than a mission statement, which more often than not ends up being a motherhood statement.

Shantanu Grover and his senior management team need to urgently crystallise their thoughts about what Morro stands for. They need to articulate a singular, focussed and consistent statement of intent that can guide the company. It won't be easy—specially because today Morro is a melting pot of four-five different businesses with diverse cultures. But it is crucial for Grover and his team to spell out what Morro stands for, because this can then become the Bible for all the employees, functions and businesses.

Grover could draw inspiration from some famous examples. Think of these brands, and some overpowering values shine through:

Sony	:	Creating products people need but have not yet imagined.
Nike	:	The drive for individual achievement.
Apple	:	The freedom to excel.
Hindustan Lever	:	World class quality.
Godrej	:	Reliable, value-for-money, quality products.

Perhaps Morro could say that its ambition is to be the company with the strongest sales and distribution infrastructure in its markets (within arms reach of any consumer), with a strong emphasis on fairness, partnership and growing together with employees and business partners. Grover and the top management of Morro are best placed to articulate this, of course, but such a company brand statement could provide clear guidelines for :

1. Morro's decisions on future acquisition targets.
2. Sales and distribution policies, including negotiation with channel partners.
3. Resolving apprehensions in the minds of employees of companies acquired by Morro.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Many of the problems encountered by Arindam Sasu start falling into context as soon as we begin to understand Morro's company brand statement. Thank God, life is never as complex as it sesms at first ! Shantanu Grover should know, of course, that this whole business is easier said than done. He could work on a few success factors:

1. **Initial buy-in** : For the company brand and the resulting corporate culture to really work, it must be rooted in real beliefs. Grover needs to engage his senior team in a discussion about what it is that Morro should stand for. Perhaps they need to extend the discussion to at least a sample of employees across ranks, across functions and certainly across the companies that have been acquired.

2. **Communicate widely :** Once they have a clear company brand statement, Grover and team need a comprehensive communication plan to get all employees on board. To put Arindam Basu's job in context, training is only a piece of this overall communication plan. The message must go out to everyone. It must be simple and consistent. It must be repeated endlessly till the thinking is internalised by everyone.

3. **Actions speak louder :** Finally, everything the company does must be an affirmation of the company brand—its acquisition policy, human resources and compensation policies, sales & distribution practices and so on. Once the company has articulated and communicated its philosophy, it cannot afford reality to be different. Management must now walk the talk'. This has the advantage of generating clear expectations, as well as ensuring that these expectations are met. Would Shantanu Grovers like to go to the extent of printing the company brand statement on all the stationery ? This way he would hold up a virtual mirror to all the Morro employees and to himself.

Defining the corporate culture will provide the method in the madness of growth through acquisition and diversification. But Grover must recognise that the "method", too, has its limits. After all, Morro operates in widely differing markets, competitive scenarios and geographical regions. One size certainly does not fit all. So, several approaches must be allowed (even encouraged) to flourish within an overall corporate culture. Morro's organisational structure can enable this by having centralised functions matrixed with independence for geographies (regional managers) or product markets (product managers).

Sometimes people in charge of a particular function (Arindam Basu as the training manager) try to impose a template on the situation, because *they* want to make sense of it and feel comfortable. That is a dangerous trap. Morro needs a balance between a uniform corporate culture and differentiated strategies for its diverse businesses.

POSSIBLE SOLUTION – B

SHAKE OFF THE PAST[4]

Our real culture lies in the marketplace. That is where the real integration will take place. Arindam Basu would do well to articulate the underpinnings of this statement and draw it inwards to the organisational context.

[4] This case analysis has been done by G. Sridhar, who is the director (human resources) at Cadbury India.

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The drama that is unfolding in the training platform appears very human and natural and probably true of all kinds of companies across all markets and regions. The phenomenon is heightened further by the demands of global standards. After all, Charu Vardhan of the estwhile Suraksha Enterprises and Vikas Malik of Morro's Kesha team, although distinctive in their approach, are, in fact, offering the same proposition— superior results for their respective businesses.

The underlying process is meaningful from the point of view of training intervention. The contours of each individual have been shaped by the experiences of the past. This is seen in the case of both Vardhan and Malik. This strong anchorage in the past is inhibiting the vital movement to the future, which the more complex multi-product, multi-market scenario that Morro faces today demands.

Each of Morro's businesses has evolved success models which they do not wish to let go. These models, which are being lived out in the marketplace, have slowly but surely metamorphosed into a more complex product-brand-market fit. There is clearly an opportunity here for dialogue and discovery, facilitated through a training platform.

In the emerging scenario of a diversified Morro, the challenge and the task for the CEO and the human resource team would be to evolve a Morro 'canvas'. This canvas will bring together, as well as distil, the diverse operational styles of the different businesses. It would prepare a blueprint of tenets—or a company document —for Morro.

Basu appears to be in touch with this reality : he aptly reflects that "we need to have an integrated approach...." After all, Morro has grown from being a single-product business to a multiproduct diversified business group. Since the process has almost always been through the acquisitive route, it is most critical for Morro to offer its members an integrating mechanism. This is often effectively achieved through the articulation of a vision. An organisational vision, along with such a set of values, could well be the rallying point for Kesha, Satin, Maadhyam, Alayn and Favor and, more importantly, for the people driving these businesses.

On the integration of mechanisms, it is perhaps appropriate here to inquire into the process of governance as adopted by Morro. The famous line, 'structure drives strategy', is appropriate here and could be the organisational vehicle to drive Morro forward.

What model is Morro using for the frontline functions of sales and marketing ? There are, of course, tried and tested and interesting options to choose from—each business managed as a profit centre as also a centralised sales function divided at the field level on the basis of regions. This would require an assessment of the ground realities.

However, given the need for a unified fabric of culture across the organisation as envisioned by Basu and endorsed by Grover, it is perhaps advisable to go in for a unified sales function at the corporate level and differentiated across regions. This is the easier part of the decision because, while taking this concept further, how people fit into various roles will be the real statement Morro will be making and the 'real message' that people will be reading into. Morro ought to adopt an open and objective style and engage in deep dialogue with its constituents while taking this forward.

Often, structure is a great enabler of processes. Before embarking on this critical step, Basu is well advised to think carefully and consult Grover about it. Thus, responding to Basu's question, "where should I begin", the steps appear to be :

1. Articulate Morro's vision and values.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Put in place an appropriate structure that will embody and drive the **values** (and culture) across the organisation.
3. Communicate/deploy effectively the vision and values across the organisation.
4. Facilitate the transition of significant/key people (to begin with), both in terms of their roles and as 'individuals' to the emerging reality of Morro as a business.
5. Offer/conduct negotiation skills workshops to selling effectiveness.

But Basu needs to remember the cardinal principle that learning is effective only when the need and the context are established. As things stand, Morro and its sales team are far from being psychologically prepared for that.

ILLUSTRATION 50

A TOME BOMB

A Raphson India brass was in a tizzy after a former senior executive decided to write a book that dug into the company's past and divulged confidential information

Achyut Hebbar sensed an air of expectation around him, almost as if the nine men in the room were waiting for a cue. The management review meeting of Raphson India had just concluded and tea was being served. But instead of the usual buzz of conversation at tea time, there was an uncomfortable silence in the room. It was the kind of silence that precedes a storm.

Hebbar, who was the managing director, noticed that Madhav Karnik's hands were resting on a familiar blue folder. Almost immediately, clones of the blue folder started surfacing around the table. The folders contained the draft manuscript of Top Tenacity, a forthcoming book by Pancham Mukhi, a senior executive of Raphson India who had quit a year ago to teach. *Top Tenacity* had triggered off tremendous interest in corporate circles, especially within Raphson, after a business magazine carried a report on the book.

Top Tenacity was about Indian managers and was based on Mukhi's experiences during his 30-year career. While Mukhi had eloquently sought to show the differing styles of management across the four companies he had worked for, the book was interspersed with anecdotes and references which were entirely drawn from his years at Raphson. In places, the book read like a thriller, except that the people were real and the details not intended for public consumption. Although Mukhi had called it 'my management evolution', even 'my learning curve' in the preface, for Hebbar and many other at Raphson, the book was an embarrassment.

"We need to talk about Mukhi's book," began Madhav Karnik. Hebbar was expecting this. He too had read six chapters of the book. "Go on, Madhav," he said.

"This book is about each one of us at Raphson, whether names are mentioned or not. Is it proper to put into print what I consider 'family matters'?" said Karnik.

Karnik's introduction was enough for the others to warm up. Vikas Sabnis, the finance director, was equally critical of Mukhi's work. "He has sketched in great detail the internal processes and practices in the company. The way he refers to our encounters with taxmen and auditors, one would think we run a country club here ! I am sure it will have an impact on the public's perception about the company and the people profiled in the book. "

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Hebbar wanted an open debate. Choosing his words carefully, he said : "If you are ambitious, you cannot seek anonymity. One of the unintended consequences of greatness and ambition is that you are open to potshots being taken at you by all and sundry. That is the price you pay for success," he said.

"There is a difference," interjected Srikanta Guha, the head of a group company, Dentone Raphson, "between a director in Raphson and a Shahrukh Khan, even though both are ambitious and successful. I never intended to be of the eye of the media. I just wanted to be a successful name in the corporate world. I did not expect someone to write about me or my past to the extent that it creates problems in my life today!"

Mukhi had devoted a few pages to describe how Sukhdev Das, the former managing director of Raphson, had tactfully acquired Dentone India from Birju Chabra by offering Guha as the sacrificial pawn.

"The negotiating prowess of the man was clearly evident when he successfully wrapped up the Dentone acquisition, even when the issue was in court. Chabra, all fire and brimstone in the press, was a different man before Das. After a couple of drinks, Chabra's restraint broke down. Playing his first card, he put forth a condition to the acquisition : "Srikanta Guha should not be part of the new company. I don't want that wimp on board ; say yes to that and we can start signing !" Chabra was piqued because Guha had referred to some Dentone managers as 'excess baggage'. Das agreed. After all, the acquisition of Dentone was so critical forus...."

That was six years ago. Subsequently, Raphson's dental care division had merged with Dentone. The acrimony too had mellowed with time. Today, Guha was heading the merged company while Chabra was its chairman.

"Can you imagine what this would do to the morale of the people at Dentone Raphson?" asked Guha. "All that was in the past. Mr Chabra's outburst was in the heat of the moment. Das agreed not to include me in the management to gain control of Dentone. It was a decision we all were party to, Mukhi included. But putting the past down in print, reviving those old memories and putting those ideas in the minds of the current generation of managers is inappropriate ! All this will certainly upset the equation at Dentone Raphson!" he said.

Karnik, who was also present during the final negotiations with Chabra, said : "As far as I know, that was private information, Mukhi was part of the team which negotiated and confidentiality was vested in him. That confidentiality is sacred not only during his tenure at Raphson but for all time to come. Of what value is it if you seal your lips while in office, but tell all after you have left the company ? At the root of such confidentiality is a desire to prevent damage. Therefore, your retired status doesn't mean that you can violate that confidentiality !"

Mukhi had written about Raphson's tryst with growth and competition and the continuous change management programme that enabled the company's turn around. He also wrote about the leadership styles of the men who headed Raphson during the 20 years he was there and their impact on the company's ethos. The treatise was also garnished with little anecdotes about managers, their attitudes, their anxieties, and their response to the environment. "Mukhi has no links with Raphson anymore so it does not affect him. But what about Raphson, where there are managers who worked with Guha and where our relationship with the media and our customers and our rivals will continue ?" said Karnik.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Karnik was referring to the detailed expose on how Raphson had obtained inside information about Parul, a rival cooking oil. A desperate move made six years ago could now come under public scrutiny.

"When Parul had begun to gain saliency all the senior product managers had guffawed at the very idea that it could pose a threat to us. But within six months, they had to eat their words and their pride even as Parul soared in the marketplace. A stunned marketing team now began intelligence collection. Parul clearly had a strong rural marketing strategy which we did not. While we were working and reworking our numbers, I got a call from someone who called himself 'Meji'. "Tarun Berry, the marketing brain behind Parul, may be looking for a new job," he said, and told me the story of Berry's unhappiness and frustration at Parul. By evening, I had met Berry. By the next afternoon, we had hired him. Small companies that grow big quickly are usually unprepared with contracts and things."

Karnik was distressed because he was part of the panel that had hired Berry. "My God! He has made it appear like corporate espionage," he cried.

Hebbar had been listening to every speaker intently. "Nobody is perfect, so it is always possible to point out a wrong," he said. "Also, you subscribe to a set of values while you are with the company. But it appears very different once you have left it. The very factors which build strong bonds are changing today. Until 15 years ago, most people stayed with a single employer; therefore their commitment to its ethos and values was very high. Employees invested their effort and cares in the company's growth and success, because working for the company was the same as working for yourself. The company's values are almost like religion in such cases. Besides, those were the days when companies were growing the industry. The accent was more on growing the market and national good. For example, Hindustan Lever was growing the detergents industry, not Surf.

"Look how all that has changed. Today, companies are under great pressure to perform. Therefore, instead of corporate stature, brands are now in focus. Likewise, today managers are not hitching their careers to one organisation. The focus is more on 'my growth, my career, my self', than on 'my company'. So, a new value system is taking root," said Hebbar.

Jatin Jani, the human resources head, interjected : "Can your relationship with a set of values or with an organisation change simply because you don't work for it anymore ? In our case, many of the people Mukhi talks about are still with the organisation. Daily, these people relate to others and form relationships with clients, suppliers and associates. It is these relationships that I fear for. I am not sure whether we are prepared to be in the public eye through such a vehicle." he said.

"I think it depends on how well the individual has internalised the company's values, and evolved as an individual," said Hebbar. "Also, a lot depends on what the motive behind writing such a book was. Your company's values and your relationship with them transcend exits and departures. It is a value you have imbibed; it can't be divorced, even though you may have served four different companies like Mukhi," he said.

Tridib Basu brought up another paragraph in the book. "A historical perspective of this nature does tend to go back in time and look closely at past events," he said. "But there is a certain confusion of profiles when you write about a person as he was 20 years ago. However trivial this may be, where was the need for Mukhi to make references to Sudhir Naik's

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

'indiscretion involving a lady management trainee' which cost him his promotion ? To me, it appeared out of context and deliberate, even though Mukhi makes that reference to show the evolution in management practices at Raphson."

Hebbar was quiet. The trainee episode occurred way back during Naik's middle management days in the early eighties. But today, Naik was a man of stature and as the head of a company, people looked upto him. Choosing his words carefully, Hebbar said : "It presupposes that a man could not have evolved or matured, that he may not have learnt from his past experience. While acquiring stature, one also picks up the ability to interpret and learn from experiences. The learning changes a person's perspective. But when you go back to the past and refer to an incident, you freeze time and look at that person at that point in time but from today's context. What you then get is a distorted picture!"

In his book, Mukhi had detailed the period when Raphson was hauled up for serious discrepancies in its audit. The managing director, Sukhdev Das, had been ousted following queries by the Enforcement Directorate and grilling in the media. Mukhi wrote : "*Sukhdev Das was a broken man. The Enforcement Directorate grilled him daily and the news reports on the proceedings kept Raphson on the front pages. It was a bad time for Raphson, a time of acute panic... The press called relentlessly.. The lesser managers spoke, confessing their panic.*

"That there was an internal coterie at work was clear from the start, and it was their machinations that ate into the vitals of the organisation and what it stood for. Such a breakdown was inevitable, because Raphson had become a one man fiefdom. It was just waiting to burstforth and it did.

"Through all this, Achyut Hebbar stood out as the man who could best navigate the company out of choppy waters. But there were three clear groups operating and a lot of time was spent in marrying their diverse goals. And when Hebbar was elected, he dutifully made a trip to Vaishno Devi to seek blessings and thereafter to Das in Tihar Jail, to receive his blessings too..."

Hebbar looked sheepish when Karnik read it out. If he had visited Das, it was because of the respect and regard he had for the man. He didn't go there to sign a truce pact. Only four people had known of the visit, which was a closely guarded secret because anything to do with Das was controversial those days. "Yes, I did call on Das since I respected the man who had headed this company for 15 years and whose chair I was to occupy. The controversy surrounding him could not diminish my regard for him and all that he had done for Raphson."

"The atmosphere was too sensitive," continued Hebbar. "Many managers were in a panic and had started leaking stories to the press. The company was going through a delicate transition, and the last thing I wanted was speculation. For reasons of propriety, I took Mukhi and Madhav into confidence. I even said, 'If you object, I won't see him. If you agree, I want this to be kept confidential'."

That Mukhi had betrayed his confidence disturbed Hebbar very much. He recalled those days of trial and tribulation. When the court let Raphson off the hook comparatively easily, the management heaved a sigh of relief. Das was released and gradually the Raphson scandal no longer made news. Hebbar was afraid that by digging up the past, Mukhi's tome would once again bare the wounds inflicted on Raphson.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Karnik was upset. "Bits and pieces like these do not make up the real story. To understand what happened then and why will require an understanding of what everyone had to say and all that happened. Only the complete story will be true, not fleeting references taken out of context," he said. Hebbar agreed, but he said: "Today the perception of what is ethical and correct seems to have changed. Are we subscribing to this change ? It is for us to reinforce faith or accept the dilution of ethics."

Jani was also very upset. "The way he quotes from history, you get the impression that he was present on every one of those occasions and hence has the authority to narrate them as facts," he said angrily.

"That is his style. Pancham has assumed the role of a *sutradhar*, narrating, judging, influencing the reader to form a viewpoint. He is writing history as he looks at it," pointed out Guha.

Hebbar was more concerned about Mukhi's version of how the director, K. Vaidyanathan, lost out in the succession race. "*Vaidee had hoped to succeed Das as managing director. Seniority was in his favour, but Hebbar had been chosen for the post. Those days, the ongoing court battles and newspaper headlines had resulted in a lot of managers grazing in the headhunters' fields, looking for new job opportunities.*

"Even as we speculated about who would leave, I discovered through accident that Vaidee had met James Morro, the chairman of the Morro group. James and I had just finished our squash game at the Mumbai Gymkhana. On my way out, I saw Vaidee's driver the parking lot. 'Hello Muthu, is madam in the club ?' I asked. 'Nosir,' said Muthu. 'Sahab is meeting Mr. Morro in the club. Madam is out of town.'

Muthu knew Morro because he had been his driver when James was a manager at Raphson. The coin fell into the slot. I went to Hebbar and told him : 'Vaidee may be joining the Morro group if you don't stop him.'

Hebbar moved fast. By Saturday night, he had spoken to Raphson's German parent and confided his fears. The German parent took up the task of persuading Vaidee to stay back on a war footing and by Sunday morning it was decided that Vaidee would go to Germany for a three week orientation before he moved to Malaysia as CEO.

A stunned Jani shook his head in silence. "He shouldn't have done this. This is very, very damaging," he muttered.

Hebbar intervened. "Some of us feel very upset when trust and confidence is broken. The natural recourse is the law. But what is ethical, what is unethical, what his motive is, what my values are ... all these are outside the purview of the law. The law cannot judge ethics," he said wearily.

"This instance is different," said Karnik. "Mukhi, a senior executive of the company till a year ago, is making incorrect statements. Statements that could even damage the faith in the organisation. Statements made by an ex-manager usually have more credibility."

Trivial as some of these ramblings were, they nonetheless threatened to undermine Raphson's image, felt Sabnis. For instance, Mukhi wrote : "*Raphson's preserves were found to be very high-priced in the test run. The excise duty on the products was certainly the culprit. If the consumer was going to choose a competing brand, it was clearly due to price, not taste.*

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

The trick then lay in lowering the price, which we couldn't have done since we were already treading on thin maryins. Sabnis homed in on the excise duty and after poriny over the voluminous act and its appendices, came up with a plan to seek a re-classification that attracted the least duty. And that is what we did ... "

Sabnis winced. "Presented like that, it makes it seem as if we are some petty traders. Companies do this all the time, since the act itself is not well structured. It is for you to interpret the law optimally for your benefit. It is not as if we have a whole department sitting there strategising, 'Which is the lowest bracket and how do we get there?' In fact we have made a detailed presentation to the government as to why such a stance is myopic. Why hasn't he said anything about the four years we spent lobbying with the government, pleading for a different view on the classification ? He has condensed four years' efforts and its success to a single para, putting it as a strategic ploy."

Hebbar felt that these were peripheral issues. "These things are now going to become common place, because a lot more is happening in organisations and in the country than ever before. Disappointment and failure are rampant. Why, we see the same phenomenon in government departments, which are also organisations in transition. Politicians and department heads are 'revealing all' today. As I said, the motive of the book becomes apparent to the informed reader. By writing about your organisation, you do not exonerate yourself from its sins. You are a stakeholder in its successes and its shortcomings. The question is : are you going to judge a company, a country by these books, or by the phenomenon which we see as our success ?" he asked.

Hebbar could see the confusion and anger welling up. "The crux of the issue is that as a company you are helpless if someone decides to write such a book. At best, we can do some damage control within the organisation. At an emotional level I feel cheated and angry. On the other hand, I accept the fact that this kind of phenomenon will keep repeating itself. Beyond that, I would not waste any more time or energy just because someone has a different view point," ended Hebbar.

That evening, Hebbar wrote a letter to Mukhi. "I cannot say that I like your book very much, although you do have a way with words. The board has discussed *Top Tenacity* in detail and the general opinion is that the portions relating to Raphson are misleading and damaging to our ethos and sentiments.

"To my mind, it is important to take a broader view of corporate life than just look at trivia. You can derive sociological meanings from certain phenomena, without really bringing in personalities. Therefore, to talk in passing about someone who purportedly had an affair with his trainee or about a strategy to reduce consumer costs is not in anyway saying anything about the company as a whole or its mission.

"If you want to write about some kind of pattern you have seen in a small setting, you have to do a lot more observation in different places. Your hypothesis has to be empirically tested in different settings before you can write about it. Only then are you passing on knowledge. Writing a book is a way of reaching out to people. Therefore, the spirit of this book should not hurt the feelings of those who work here daily and with dedication.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"Organisations are about changes and challenges and people have written about their companies in the past. Many of these were no doubt products of a different era. An era that stood for integrity, faith and loyalty. Above all, it was an era that stood for ethics. These are different times. Times of aggressive competition, growth and success. Times that seek self development through growth of brands. The difference between then and now is ethics, Mukhi. Give it a thought."

POSSIBLE SOLUTION A

WANTED : A CODE OF ETHICS[5]

There is a thin line dividing report age and gossip. Reporting events in order to illustrate patterns or phenomena is perfectly justifiable. It becomes gossip when halft-ruths are reported in order to create a certain uncharitable or undignified impression. Open slander and allegations clearly cross the line beyond gossip to an attack on a person.

Since Mukhi was party to the happenings at Raphson and had a ring-side view of the events, he should have treated his subjects with caution and responsibility. He makes certain judgements and ascribes motives to his former colleagues and seniors, using examples that border on gossip rather than putting them in context. To that extent, he has betrayed the confidence placed in him by his colleagues at Raphson. However, the Raphson management seems to be extra sensitive to what it interprets as negative suggestions and remarks. It is quite natural for an affected party, like Raphson, to magnify the import of any 'negative' comments. The managers of Raphson seem to be blind to the 'positives' that have been written about them. To an uninvolved reader, the degree of negativity would be muted. And Raphson's many positive achievements and experiences give the book balance and credibility. Sometimes, writers take certain liberties by portraying the vulnerabilities of the personalities involved. This can acquire overtones of gossip. To illustrate, the reference to 'an indiscretion involving a lady trainee' way back in the past is clearly gossip and it does not add any value to the book. Such gossip can destroy the person, his role effectiveness and his personal relationships.

Once again, Mukhi alludes to a case of excise, leaving the reader with the impression that Raphson was an opportunistic, unethical company. In reality, Raphson did not quite cross the Rubicon, but did what most companies euphemistically call 'tax management', which is distinct from evasion. A biographer or a commentator should act with responsibility towards his subjects. Hebbar did the right thing by writing to Mukhi and appealing to his sense of fair play.

Notwithstanding the facts, the case does provoke a debate on what constitutes ethical behaviour in organisations. Should an organisation evolve a code of conduct for itself and its employees ? Should one of the codes be confidentiality of information and knowledge obtained while in the service of the company long after the employer-employee relationship has ended ? The problem is that the legal validity of such codes of conduct are suspect. Ethical behaviour or the lack of it is, more often than not, determined by social norms and cannot be legally

[5]This case analysis has been done by Harsh Mariwala who is the managing director of Marico Industries.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

enforced. However, evolving a code of conduct is far better than not having one at all. At least everybody is clear about what is acceptable behaviour and what is not. A code of conduct, if nothing else, can act as a moral deterrent. I would hence advocate an employment contract, particularly with senior managers, despite any legal limitations. Of course, this may not prevent a person hell-bent on breaking it, whatever be the other persuasions.

Also, it is important to understand that ethical behaviour has a certain contextual back-drop. For instance, the idealism and passionate adherence to principles that marked the pre-independence and immediate post-independence era was replaced by the wide-scale, socially tolerated 'corruption' that the licence raj bred. The nexus between politicians, bureaucrats and businessmen created an atmosphere of unabashed self-interest. The lack of moral fibre exhibited by 'role-models' in society blurred the sense of right and wrong.

However, in the last five-odd years, the opening up of the economy and the policies of delicensing and deregulation are breaking the foundations of corruption. "Contacts" no longer give a competitive edge. Corporate leaders are now being forced to respond to the rightful needs of multiple stakeholders, who act as interest and pressure groups to demand responsible corporate governance. With reduced tax rates, Indian businesses are increasingly responding to the call to "come clean". Overall, the time is ripe for a revolution in support of ethical practices and prudent norms of corporate governance.

Organisations should seize this opportunity and evolve a set of corporate values and preferred standards of behaviour. This should be followed up by communication and training. Senior management leads by example and helps the process of building an open and questioning culture. Everyone in the organisation then becomes a 'watchdog' and creates social pressure for conformity.

POSSIBLE SOLUTION B

THE TWO SIDES OF LOYALTY[6]

On the face of it, Pancham Mukhi's Top Tenacity, a book on Raphson India, provides invaluable insights into the ingredients of success in the corporate world. After all, Mukhi was a senior executive at Raphson until a year ago, when he resigned to join the academic world. It would be quite natural for him to translate 'his learning curve' into a book that would throw light on the management processes of a large, successful and growing company.

But that is not what his erstwhile colleagues at Raphson seem to think. They are threatened by what they consider the violation of confidentiality vested in him, of sensationalising events to create the effect of an expose and generally presenting an incomplete and imbalanced view of events which would affect the managers currently running the organisation.

Successful senior managers have often written autobiographical accounts of their tenure in office, essentially to document and hand over to different audiences a record of their achievements, their interpretation of significant issues, events and challenges of their times. The successful ones were written well after the managers left their organisations. Despite all the efforts at objectivity, writing as an 'insider' about current events is fraught with danger:

---

[6] This case analysis has been done by Shashi Prasad who is the vice-chairman of the Calcutta-based British Oxygen Co.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

the historical perspective is replaced by short-term imperatives and by (unfortunate) judgements on the basis of biases and personal prejudices at the time. The passage of time has the remarkable effect of clarifying the historical perspective, which minimises bias and improves objectivity. Clearly, Mukhi's book does not fit the bill here.

Managers moving on from corporate life to academia have sublimated their experiences into a critique/conceptual model, deriving the application of relevant management principles and practices. Such works have invariably showed insights into the way a corporate entity is managed and provided valuable lessons. It appears that Mukhi has not entirely opted for this model. I fear he has resorted to sensationalism. Consequently, his book adds little value and indeed has created unnecessary ripples at Raphson.

But let us also listen to the debate among the managers. Several issues have been raised: changing values in an increasingly competitive world, employee loyalty (or the lack of it), the divulging of inside information—'family matters' as Madhav Karnik puts it—to the outside world, the virtues of lifetime employment and others. To these I would add the demon of rapidly increasing corruption in public life.

The issue of ethics currently occupies top priority across the entire spectrum of the corporate world. Business ethics for me is to act *consistently and in the spirit of the norms*—that is, in accordance with the rules and regulations set by the government and the social environment for the conduct of business. It is often lamented that with the business environment becoming more competitive and aggressive, the 'older' values of integrity, faith and loyalty have given way to new virtues such as self promotion, results and personal success. I do not believe this is necessarily so.

Take the case of employee loyalty and life-time employment. A generation or two ago, people joined an organisation and stayed there till they retired. This was driven as much by loyalty to the organisation as by the lack of growth opportunities. A youngster who puts in his best for five years in a company and moves on is perhaps more loyal to the organisation than the 'plodder' who spends a life time with the same employer.

Next, take the case of corruption in public life. The dramatic increase in corruption is directly traceable to structural flaws in the post-independence era. Under the licence raj, enormous powers were vested in a few and there was a huge mismatch between their earnings and the powers they wielded. In this non-competitive restricted environment, the temptation to 'buy yourself in' to a good deal was not inhibited by competitive calls of fair play, nor was there a social conscience willing to rebel against this regime. In this, both the receiver and the giver were at fault.

Recently, there has been extensive debate about ethics and honesty in public life. Various steps have been initiated as the nation moves from an acquiescent acceptance of an unacceptable public value system to a more responsible set of standards. The emergence of a competitive environment will help. The assertiveness of people in demanding higher standards of behaviour will help. The journey has just begun. It will take sustained effort to get rid of corruption.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

ILLUSTRATION 51

SKIN DEEP LOYALTY

A success in the past, Taru all-purpose cream was finding it difficult to retain its position as the consumer flirted with global brands offering specific skincare benefits

The Newer and Bigger entrants in the Market were carving out new Niches. But Taru remained the same and continued as a no-frills all-purpose cream.

Varun Krishnan had an uneasy feeling as he read the headline of the article. 'No reason to smile', it warned ominously. The article was about his favourite toothpaste, Colgate, and how its marketshare was steadily declining. Even as he read the article, memories of his childhood came flooding back. Colgate had been his favourite brand ever since he had learnt to say ' toothpaste'. Those were the days when his mother dreaded the prospect of allowing the four-year-old to use a toothbrush. She would scrub his milk teeth with a pink tooth powder bought from the local *paan* shop. Then she would squeeze out a pea-sized amount of Colgate toothpaste on his forefinger and allow him to experience 'brushing' his teeth himself. When the final gargle and rinsing were done, she would bring her ears close to his mouth and listen carefully as Krishnan ran a dry finger over his sparkling teeth. The squeaking sound was conclusive evidence of a job well done.

Now, as he read the article, his heart sank. His toothpaste — his mother's and grandfather's toothpaste — was losing out. Apparently, though Colgate was still being used by a large chunk of people of his generation and that of his 63-year-old mother, the generation under 30 was opting for the more contemporary rival brands. And research said that this younger generation comprised almost 50% of the total population.

Krishnan, who was the commercial head of the personal care division at Delaware India, was worried. Not only because his favourite brand was slipping, but also because Delaware's skincare brand Taru was probably in the same boat. Like Colgate in the dental care market, Taru was also puffing and panting to retain its position in the skincare market.

Joydeep Rudra, the profit centre head of Delaware's skincare division, felt that Colgate's problems were bigger than they seemed. "Colgate is not only failing to attract the younger consumer, it's also losing the loyalty of its older consumers."

That bothered Krishnan immensely, because his division's bottomline was dependent on the loyalty of consumers of the Taru range of moisturisers, cold creams amd vanishing creams. To make matters worse, Delaware had tied up with Progg of Germany to launch its premium Lara range of skincare products. While Rudra wanted Taru to be replaced by Lara, Krishnan privately grieved over Taru losing revenue. The Taru brandname, he felt, had tremendous equity and he could not fathom how Lara could establish itself in a market that was already saturated with offerings from Revlon, Coty, Oriflame, Shahnaz Hussain, Biotique, Lakme and Pond's. "The whole concept of brand loyalty will go out of the window," he told Rudra. "Can any of these expect loyalty ? Most of these brands have introduced new categories in cosmetics which had not been even heard of before in this part of the world. The consumer has been deluged with variety."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Variety is good for business, Krishnan," said Rudra. "But how much can a consumer buy and how does she choose ?". asked Krishnan. "This week she sees Coty's skin replenishment cream and buys it. Next month, just when she is mid-way through the Coty cream, Revlon announces the radiant moisturiser that promises to keep her skin glowing. So, off she goes and gets herself a Revlon. She is moving across brands and categories. She is hardly conscious whether it is Revlon's skin toner or lakme's age defying cream. And then, yet another brand enters, announcing some other benefit for her skin. So, loyalty goes for a six. Why, she is even unable to say which brand delivered what value."

"It is too early in the life of the category to expect that," said Rudra. "The relationship between a consumer and her brand is somewhat similar to the relationship between two individuals. You do not become friends with somebody in the first interaction. Only after sustained interaction do you start distinguishing between friends and acquaintances. And then you are loyal to him. Soon you have a group of friends. Something similar happens with a brand. How can a consumer become loyal to a brand she has used just once or twice ?'

"Coty, Oriflame and Revlon are not mass products. Take Coty's under eye cream which is priced at Rs 100 for three-four gm. It will take time for such an expensive product to become part of the consumer's arsenal of skincare products. Even the usage is vastly different from how the manufacturer intended the product to deliver the promised benefit. For example, most women used Fair and lovely very sparingly. A small dab on their chin, cheeks and forehead and not all over the face and neck. Given her frugality, it will take time before she develops loyalty to the new expensive brands," explained Rudra.

Krishnan could see that in the new categories, brand loyalty would come only after the consumer felt the need for the product and incorporated it in her usage pattern. Why, Delaware's research had shown that even in the high-income bracket, there were many who still hadn't felt the need for shampoos even though the category had been around for decades. They still used soap to wash their hair.

Hence, it would be some time before a consumer began to regularly use the expensive under eye lotions and age defying creams and find them indispensable. "Loyalty," went on Rudra, "is only the third stage of a category's life cycle. The first stage is inception, followed by growth. We cannot expect loyalty in these stages."

Listening to Rudra, Krishnan felt that brand loyalty was a myth. Taru had been in its third stage when its consumers started switching their loyalty to other brands. Ditto for Colgate. "For close to 60 years, a massive 70% of the consumers were buying Colgate. Where have they gone now ?" he asked.

"The bigger the brand, the more heterogeneous its consumer set," said Rudra. "So, a new entrant could grab market share with a new or unfulfilled need. Colgate was addressing two needs—stopping bad breath and fighting tooth decay. One is a cosmetic need, the other a functional need. So, Colgate was riding two horses."

"Taru has the same problem," he continued. "We have not deemed its benefits. In a mature market, consumers define their needs in a more specific way as brands offer a specific value-delivery. So, there is a cream for blemishes, another for night care, and yet another for under the eye. Taru can't stand for everything," he said.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Rudra felt that Taru was even more unfocussed than Colgate. An all-purpose cream could not withstand the onslaught of the bigger brands which offered variants for specific benefits. It had done well in the past because the consumer had little choice. Now the bigger brands were carving out niches. Coty, for instance, had chosen youthfulness as an attribute, sharpened the edges and met a consumer's unfulfilled need. Close-Up and Pepsodent did the same thing by homing in on the social aspect of bad breath among youth.

Besides, Delaware had not done anything new with the Taru brand, Colgate had launched its gels and other variants. Similarly, even though the red Lifebuoy was going strong, Hindustan Lever had launched variants like Lifebuoy Gold and Lifebuoy Personal. Taru had not done anything like that and continued as a no-frills all-purpose cream.

Rudra felt that Colgate lost out because it was slow in launching its gels. In the meantime, the consumer had a new friend : Close-Up. "Loyalty is possible as long as a brand satisfies evolving needs. Had Colgate gel arrived sooner than it did, the consumer of the dental cream may have chosen it. But Close-Up gel came first, and also offered the added benefit of a mouthwash," Rudra said.

Rudra was bitter about Delaware's lack of investment in Taruts marketing. "A company that wants to retain consumer loyalty must be attentive to the market and be able to anticipate consumer needs. Was Taru attentive to the evolving and latent consumer needs ? Coty and Revlon were attentive. Naturally the harvest is theirs to reap," he said.

Rudra felt that to retain its consumers, a brand had to clearly define what it was offering. Colgate rode on two propositions — stopping bad breath and fighting tooth decay — and came under attack. In comparison, Lifebuoy focussed on one — protection from germs — and was able to retain its position. "If lifebuoy had offered protection from germs and freshness, it might have had a problem."

On the other hand, Taru had no clear proposition. "The brand has gone stale, there is no fun in it," said Rudra. "Loyalty is about nurturing the relationship with the consumer. We didn't do that because our marketing was blinkered and somehow we did not realise that if the market was changing, our strategy, too, had to change. We did turn aggressive, but retained the old practices."

Rudra felt that companies needed to rehash their marketing strategies. "If consumer behaviour is changing, so should the marketing tack. The standard marketing practice is to define a target segment, develop a product and position it to attract the targeted segment. The target becomes a sort of holy guide for the marketing man. But he does not recognise that the consumer may buy other brands. He wants to generate loyalty, without realising that it is very difficult."

Rudra believed that it was possible for a brand to get on the approval list of the consumer. But getting him to buy only a particular brand was impossible. "Nobody will be 100% loyal to a brand," he declared. Krishnan was amazed. "You said 100% loyalty was a desirable objective. Then how do you work towards it ?" he asked.

Rudra listed a number of loyalty schemes in the market place : "Collect five wrappers of Cadbury's Dairy Milk chocolate and you get a cricket cap free.' Such schemes are aimed at increasing loyalty. The customer has an incentive to buy a brand more often."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

"If a consumer buys five chocolates, does he become loyal to Cadbury's Dairy Milk ?" asked Krishnan incredulously. "Isn't the whole idea to change his consuming habit so that he remains loyal to the brand ? Wouldn't such schemes ensure his loyalty only for the period of that promotion ?"

"You can only make him loyal during the period of the promotion," pointed out Rudra. "He is already your consumer. You are rewarding him for being your consumer, but you are not changmg his behaviour. Think of the habits you have. When was the last time you consciously changed a habit or adopted a new one ? You may try to do it every year but you fall off the wagon very easily. It's not that you are set in your habits, but we are much too busy to think about these things all the time," said Rudra.

Rudra felt that marketers believed that their brand was a lot more important to a consumer than it actually was. They had the misconception that he was going to think about it a lot. "But they don't," he exclaimed. "Most consumers want to get a little bit of knowledge about a brand, and are satisfied with that. Brands are extremely important to the brand manager or the marketing manager because they think about them all the time. But a consumer thinks very little about the brand," he said.

Krishnan wouldn't agree. He recalled the time when Pepsi's crown cap collection scheme was on. "My kids wanted to collect enough crown caps for the cricket bat, the flip book, the leather ball... Those days there were two things that happened at my home: one, we drank only Pepsi and two, we drank a hell of a lot of Pepsi. The scheme even changed our consuming pattern. We stopped buying the 1.5 litre plastic bottles and started buying the 300 ml glass bottles because the scheme was offered only on the crown cap of the 300 ml bottle. Shortly after that, Coca-Cola came up with an almost similar scheme. The next 30 days, we drank only Coca-Cola and a hell of a lot of it. So we were thinking of the brands all the time," he argued.

"No," said Rudra. "You were thinking of the cricket caps and flip books offered by them. Let me tell you, 100% consumer loyalty is a mirage. After 30 days of drinking only Pepsi, you and your family switched to Coca-Cola. So, what happened to your loyalty to Pepsi ?" he asked.

"Are you saying that even if I give a consumer a continuous incentive to buy my brand, I cannot change his habits?" asked Krishnan. "Can a hardened Coca-Cola lover change over to the rival brand, Pepsi ?"

"You cannot look at this in isolation," said Rudra. "Some of your deepest prejudices and your fondness towards a brand will be a result of actually using it." Therefore, repeated use of a brand does kindle a long lasting feeling about it. Research had shown that a consumer did not remember all the rational aspects of a brand. "You remember only how that brand affected you. For instance, a consumer would remember whether he liked the taste of a fruit drink, or whether he developed a rash after using a particular soap."

"You must view the cola campaigns from another perspective," Rudra continued. He felt these promotions were an attempt to get a share of the total fluids market. "People drink water, tea, coffee, *nimbu pani, jaljira*, sugarcane juice and so on. Coke and Pepsi want a share of that, " he said. "I don't think they are targeting each other's shares. For instance, what is Coke trying to do? Worldwide, human beings drink 37 ounces of liquid per day. Coke has a 2% share of that intake and wants to increase it to 3%. That's the spirit behind these promotions, not developing loyalty for the cola brands," he said.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Rudra felt most categories in India had a long way to go before they attained maturity because penetration levels were pathetically low. "There is a huge untapped market there. It's only when the cola drinking habit attains a penetration of 90% that you can start talking of brand loyalty at its highest level. A slight increase in brand loyalty will mean a slightly higher marketshare, but in terms of volumes it will be gigantic, because you are talking of 90% penetration. But today a cola would probably be a small portion in a consumer's total consumption of fluids. So, if a consumer stays with Pepsi or changes over to Coke, it is not out of brand loyalty," he said.

Rudra also felt that the 100% loyal consumer thought less about the brands he used than the disloyal or polygamous consumer. "Take a consumer like me who buys a bottle of Black Label every Diwali to gift to my father-in-law. In a way, I could be called a 100% loyal customer of Black Label. But I buy the brand so infrequently — only on Diwali. I am not in the market for Scotch, I don't want to be educated on Scotch. I just want to buy my Johnny Walker Black Label. In other words, a 100% loyal consumer has an even lower involvement with the brand than one who is actively thinking about Scotch," said Rudra.

Krishnan had a different experience. Unlike Rudra, who bought a bottle of Black Label once a year, Krishnan was a loyal and regular consumer of Flora cooking oil. Recently, his family had decided to cut down its expense on oil and to do that, decided to buy cheaper refill packs. The grocery store from where Krishnan bought regularly did not stock Flora refill packs. So Krishnan chose Sundrop because it was sunflower-based and available in one kg refill packs. "What happened to good old loyalty ?" asked Krishnan.

Rudra mused for a while. "In most consumer categories, you have a great deal of product parity. The differentiator is usually the brand image. Consumers may be loyal to certain kinds of packaging. For instance, there are consumers who prefer liquid detergent to powder detergent. Here the consumer's loyalty is clearly with the format and the packaging rather than the brand. The fact that after eight years of using Flora you easily changed over to Sundrop, shows your involvement with the brand was the least. You were loyal to sunflower oil, not the Flor brand."

According to Rudra, at a conscious level, a consumer did not think of the brand. "For example, cigarettes are very brand-focussed," explained Rudra. "But a cigarette is a cigarette. The difference is when I put a pack of Marlboro on the table. Then the association becomes public and you tend to believe that cigarette smokers are loyal to their chosen brands. But in reality, if I go to a vendor and ask for Marlboro Gold, and he says he only has Benson & Hedges, I will take that cigarette because I want to smoke. So, even though I may be enthralled by a cowboy image and want to be associated with a Marlboro, I am not 100% loyal. I am loyal to smoking, loyal to the category, but not 100% loyal to the brand. Now, do you see the point I am making ?" asked Rudra.

"Does that mean that no brand can hope to have 100% loyalty ?" asked Krishnan.

"I will state that differently," said Rudra. "Every brand has X% solus users, Y% dual users and Z% flirts. The marker's job would be to increase the quantum of solus users. So, within your brand you will offer increasingly better products which will attract the users of rival brands. The degrees will vary by category, but getting a new user will be 10-20 times more difficult than retaining an existing consumer. That is the fundamental premise of brand loyalty. And that is going to be Taru's problem," he said. "I can offer incentives to existing users to retain their loyalty, but I cannot greatly increase new users."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

According to Rudra, companies sought to ensure brand loyalty by striving more to retain the solus consumer than to create a new one. Thus, in a mature market, advertising addressed current users. Even the role of advertising in a mature market was different from that in a developing market. "A loyal user's involvement with the advertising is usually low. As a loyal consumer, you are not seeking any further reassurance from the brand advertising. But the ad is like a steady heartbeat in the background. When it stops, you notice. Similarly, you have a relationship with the brand. When it stops talking to you, whether you are listening or not, you notice it. Good brands would refresh the relationship by changing the looks and communication."

As Krishnan pondered over the future of Taru and his favourite toothpaste, one question kept on cropping up in his mind: is there life after losing brand loyalty ?

POSSIBLE SOLUTION A

THE PROMISCUOUS CONSUMER[7]

The discussion between Varun Krishnan and Joydeep Rudra raises a host of interesting issues on the question of creating—and retaining—brand loyalty. I believe the issues can be put into three broad categories—product-related, buying behaviour, and consumer psychology and societal change. Let me consider these one by one.

PRODUCT-RELATED ISSUES

1. Product innovation : Clearly, if nothing changed in the attributes, performance characteristics and availability of products, there would be no "pressure" for any change in consumer loyalty either. However, even within the area of product change, there are three different scenarios.

In a scenario where there is a basic change in the way the product itself works, brand loyalty is put to its most severe test. For instance, the competition to cassettes from compact disks (CDs). Or to valve-operated radios from transistor-based radio receivers. Here, the loyalty to all the brands offering the earlier technology will be threatened. While their success in retaining loyalty will largely depend on how fast and how well they can adopt the new technology, the most significant advantage will obviously lie with the first mover.

A similar, though slightly less severe, test is the change in the 'definition' of the product function. From merely cleaning hair, shampoos are now used to prevent dandruff, repair damaged hair and condition them also. Another level is the addition of less significant, but noticeable, improvements in the product. For instance, "less greasy skin cream".

Marketers must keep in mind the possibility of all three changes. And since changes like these threaten loyalty, it makes sense for the owner of the current brand to make the necessary adaptations, rather than let someone else do it. Indeed, companies such as Hindustan Lever and Procter & Gamble continually seek to introduce newer products—even in categories where they enjoy a high market share.

---

[7] This case analysis has been done by Anand Halve who is the executive director at Quadrant Communications, a joint venture between the Kirloskar group and IPG of the US, which will handle the business of Pratibha Advertising.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Creation of consumer segments : Even as product changes take place, there is an opportunity to use them to create new segments, in which the change-agent-brand can enjoy higher loyalty. The effect may be similar to "pinching off" a part of an existing, loyal consumer group.

3. Brand versus product range : A third issue in product based loyalty comes up when a brand introduces line extensions and flankers. In order to extend consumer loyalty to these products, there should be a common thread running through them (benefit, technology and so on). Therefore, Fair & Lovely cream has a far better chance of gaining loyalty in moisturising lotions, than Anchor in toothpastes, given its association with electrical fixtures.

Incidentally, all product-related issues apply as much to new categories as to mature ones. There will be 'current users' for the new category even as new ones come in.

BUYING BEHAVIOUR ISSUES

1. Transfer of power : One major reason for switches in loyalty would be changes in the decision maker itself. So, for example, a "loyal" Colgate family might switch to Close-Up, as the brand decision making switches from the mother to the teenaged daughter. Another change we are seeing is the growing number of categories where children are major influencers, if not the actual decision makers. The transfer of power factor is especially important in India where a large number of categories, even individually used products, are bought as "family choices".

2. Rewarding loyalty : The other area related to buying behaviour is improving 'the value of every subsequent loyal behaviour', as in the case of reward points schemes offered by credit card issuers, airlines and so on. In such cases, the cost of acquiring a new customer is very high, and it makes sense to concentrate on retaining current users by increasing the 'cost of betrayal'. However, as Rudra said, it's somewhat different in categories such as confectionery and soft drinks. Here, there is a desire for variety which militates against the notion of loyalty. In fact, in such categories, loyalty itself is perhaps better defined as 'share of purchase occasions' rather than 'consistent exclusive choice'.

CONSUMER PSYCHOLOGY AND SOCIETAL CHANGE ISSUES

1. Consumer as king : As we see an excess of supply over demand in practically every market and category, the power equation has shifted to the consumer. The consumer, too, is aware of this, and her attitude may be best summed up in the Americanism, 'What have you done for me lately ?'. The issue of choice then, is not based on a long-term relationship, but in the next offer (or at most, recent woog).

2. Variety as benefit and need : Another dimension affecting loyalty is the need for variety that emerges in an environment of shorter attention spans. Where "new" is an experience which has a value in itself.

3. Return to basics : Interestingly, one of the effects of an unrelenting effort to maintain loyalty through product improvements and product specialisation has been exactly the opposite of the intention. Fed up with the high priced, national brand, under-eye cream for the left eye, the consumer has switch to the store label, basic skin cream.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

THE FUTURE OF LOYALTY

Indeed, as we are seeing even in loyalty-concept institutions such as marriage and the workplace, the notion of "till death do us part" is dead : there are simply far too many temptations. Is there, then, any future for brand loyalty ? Yes there is. I believe there are two routes which will determine brand loyalty in future. (Apart from keeping pace with technology. This will be necessary not to lose. It won't ensure that you'll win).

One, to "own" a higher-order motivational area. In an age where product/technological/ service parity exists, this could make a big difference. Look at anyone who owns a Harley-Davidson. The brand is not part of him, he is part of the brand. And two, when the wide usage of the brand itself becomes a benefit and every new loyalist increases the value of being loyal. An example is Microsoft software. (Bill Gates is not the richest man in the world for nothing.)

Finally, I must say that both of these approaches can only work over time. There is no such thing as loyalty on a first date.

POSSIBLE SOLUTION B

DIFFICULT, NOT IMPOSSIBLE[8]

Is Brand loyalty a myth ? Was it possible for Colgate to have anticipated the way consumers were evolving, and launched Colgate Gel earlier than it actually did, and retained all those younger consumers within its fold ? Yes it was. Quite difficult, but certainly possible.

So, brand loyalty is certainly not a myth. It is extremely difficult to ensure continued consumption or use of your brand. But some companies seem to be good at this, while some are not. What are the more successful companies doing that make them good at this ?

They are constantly keeping their ears to the ground and keeping a close watch on their consumers. They are forever figuring out what changes are happening in the lives of their consumers and what that portends for their own brands. These companies are continually anticipating what they need to do to their brands in order to keep them fresh from the consumers' view point.

Also, once they have understood these, they move in fast with their actions, put in considerable resources into their marketing efforts and stay with the new thrust for years. They simply don't give up.

In many such instances, the consumer does not necessarily know what he is missing. Often it takes a manufacturer to show the customer exactly what he is missing. LML and Kinetic showed the customer that a scooter is also, perhaps even more so, about style and personal statement than mere transportation. Bajaj, caught in a similar trap of complacency like Colgate, saw th etrend late, and came in with smarter products like Sunny in a defensive mode and lost the advantage.

[8] This case analysis is presented by a team from Titan Watches, comprising senior vice-president (sales and marketing) Bhasker Bhat, vice-president (marketing) Jacob Kurien and divisional manager (marketing) C.K Venkatraman.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Does it matter, it could be argued, that while Bajaj has lost a certain segment in the metro markets to LML or Kinetic, the company has continued to do better in terms of sales and profits, by penetrating into more towns and into lower socio-economic households ?

Sure, in a country like India with low penetration in most product categories, it is possible for a company to keep doing better despite dwindling loyalty in the large cities. But for how long is the question.

Let's take another famous Indian brand—Raymond. High-profile, visible and very corporate, Raymond for many years was the quintessential pin-stripe officewear, the first choice for most of us in the eighties.

Two changes have happened in the nineties in the corporate world—one, very few people are getting their clothes stitched; two, loose, informal, comfortable clothes are becoming more and more common place.

To some extent, Raymond appears to have anticipated the popularity of readymades, and launched the Park Avenue range. And early on as well, much before the launch of brands from Coats or Arvind. However, today Park Avenue seems to have a lower profile and salience, compared to Louis Philippe or Arrow. Has Raymond been going easy on this business ?

On the other hand, Raymond does not appear to be taking the 'informal clothes' segment seriously. Either the company doesn't see this as an emerging trend or it has drawn up plans that it hasn't revealed yet. It is also possible that the sales and profits of Raymond, like Bajaj, are growing and, therefore, the company is not overly preoccupied with the changing scenario in the metros. But 10 years from now, the trend could well turn into a tidal wave, dramatically altering consumer preferences across cities and affecting Raymond as a result.

Is it practical for BPL to try and persuade every one of its consumers to have only BPL products in their homes ? It is impossible, of course. But when a company has a vision like that, it creates products based on the latest technology that delivers world class performance, sets up a retail programme to make the shopping experience pleasurable and manages the aftersales support admirably. By doing all this, BPL ensures that its customers are delighted with it, and they will be virtually waiting for the next opportunity to buy another product from the same company.

So much of this depends on the company, the way it thinks, the way it acts. It is quite possible for a company with top management commitment to delight the customer, to evolve a very disciplined and rigorous process by which it is always a step ahead of customer expectations. Such a company can be certain of loyalty.

So much about ways to build loyalty. What happens when a company is blind to changes in the market place, becomes complacent and loses the franchise of a certain segment ? Can it win back the loyalty ? Is there life after losing brand loyalty ?

A lot depends on when the loyalty was lost and, therefore, for how long the consumer has been disloyal. In the case of Colgate, the Close-Up consumer has been disloyal for years now, with no real reason to move to Colgate Gel. It is perhaps impossible for Colgate to recapture that segment.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

What Colgate can do, however, is to find out whether many of its younger consumers in the smaller cities, and from the lower socio-economic category, are likely to go the 'gel' way (the chances are they will take to it). If it concludes that they will do that, the company needs to put in place a strategy which will catch those consumers before Close-Up does.

The lessons here are applicable to all of us—including Delaware. In conclusion, brand loyalty is not a myth. While it may be foolish to expect all consumers to be loyal to your brand, it is possible to build loyalty among a large part your franchise. To do that :

1. The company needs to be totally consumer focussed : understanding changes, anticipating new expectations, delivering performance at all points of contact.
2. It needs to be fleet-footed in its response.
3. The company needs to stay with its new course of action for a long time and commit monetary and managerial resources to it.

ILLUSTRATION 52

IMPULSIVE SELLERS

Kremmer Foods has made a name for itself in the dairy products and processed foods business. Could it repeat its success in an impulse purchase category like fruit drinks ?

Pratap Rao was excited as he rummaged through his files and cupboards. He was looking for data on Funsip, the once successful but now dead fruit drink brand of Kremmer Foods. Rao, who was head of marketing at Kremmer, was determined to bring Funsip back from the grave.

His determination was rooted in research that had indicated that the processed foods sector was poised for phenomenal growth. Kremmer wanted to tap this opportunity. Rao's objective was to expand the processed foods category by introducing ready-to-use products. While such products would remain niche items, he was also researching other products that would be accepted by the mass market.

Mass market products like processed milk, packaged atta (wheat flour) and bakery products were identified as major opportunities in the foods business. These were high-growth products which promised big volumes. Reports said rising income levels had changed the food consumption patterns of the rich as well as the not-so-rich. At one level, the lower end of the middle class was emulating the eating habits of the rich by laying greater stress on nourishment and quality. At another level, as choices increased, the upper end consumer was getting more adventurous when it came to eating. Funsip was targeted at this segment.

Rao was happy when Kremmer decided to expand its processed foods division, particularly the biscuit and frozen vegetable categories. That was when he hit upon the idea of introducing processed fruits. A fruit-based drink would be ideal, he reasoned, because it would fit snugly into the entire portfolio of food products. Simultaneously, the brand could be extended to other fruit intermediates like squashes, cocktails and concentrates.

Funsip had caught Rao's fancy after he came across press reports which said that fruit drinks could grow into a multi-billion rupee business in India over the next eight years. That Funsip had failed 10 years ago did not deter him. Rao felt that the company had, in fact, learnt a lot from the brand's failure. The research and investment in Funsip had helped Kremmer ascend the learning curve on fruit drinks

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"A fruit drink is just what we need to complete the portfolio," he said to his managing director, Vidyut Saraf : But the sales director, Anshu Vaid, did not warm up to the idea. The memories of Funsip's debacle had left an indelible mark on him.

Vaid was Funsip's product managers when it was launched in 1984. The soft drinks market then was roughly 600,000 tonnes, of which the tetrapack segment was a mere 10%. But the tetrapack segment was growing very rapidly at 15-20% a year. The strong brands in this segment at that time wee Frooti, Volfarm and Tree Top.

Funsip was conceived and positioned as a natural fruit drink that offered convenience, hygiene and variety. It came in three flavours—mango, apple and orange. The tetra packaging was franchised to third parties and moves were afoot to add newer franchisees in different markets.

At that time, Kremmer was a predominantly dairy products company with substantial dairy operations that gave it synergies to manufacture milk powder, butter and a small range of milk-based Indian dessert mixes. In the eighties, processed dairy products were not a fast growing segment though Kremmer's milk-based drink RevvUp was a leader in many markets. It was Saraf's foresight that led to a strategic entry into vegetable and fruit processing. In the early eighties, Kremmer bought Green Foods, a small Company that made jams, pickles and chutneys and marketed them under the same name. GreenFoods came with a large plant for processing and freezing vegetables, which fitted in well with Saraf's vision of expanding Kremmer's food business.

The synergies derived from its own dairy products business and GreenFoods' jams gave Kremmer greater distribution strength and catapulted it into the limelight as sales grew. Suddenly Kremmer was a company to watch. That was when Kremmer decided to launch the Funsip range of fruit drinks. In fact, Funsip was a brand being researched at GreenFoods when the company was acquired by Kremmer. Given the sourcing and processing advantage Kremmer gained from its new acquisition, the move to launch Funsip was natural. Funsip got off to a tremendous start. The test market in Gujarat was opportune since the Navratri festival had just begun. To add colour, Kremmer held promotional Ras Garba festivals in Ahmedabad and Baroda, which resulted in a very good trial rate. Driven by the success in Gujarat, Kremmer decided to roll out Funsip in Chennai. There too, the response was very good, thanks to the funky, young and festive advertising. By the year-end, Funsip was available in all the metros and was poised to enter the mini metros.

Buoyed by the exemplary launch results, Kremmer targeted a 50% marketshare over the next three years. Indeed, in the second year of the launch, Funsip had gained a 25% marketshare which was very heartening. The euphoria over the brand's success was naturally very high and Saraf made it a point to congratulate the sales force on what he called "one of the biggest successes" at Kremmer. He clearly saw Funsip as a forerunnerto a larger foray into the foods and processed foods business.

By then, Kremmer's vegetable processing plant had been refurbished and tailored to processing tomato ketchup. Research had commenced on the proposed frozen vegetables project and other value-added food products. All these were to be marketed under the Funsip brandname.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

More good news was in store. By the close of the second year, Funsip had garnered a 33% share of the fruit drinks market. The brand recall was very high and it seemed that Funsip was on its way to market leadership. If the brand was gaining strength, so were Kremmer's expectations. The company doubled the production and sales targets, appointed more packaging franchisees and stepped up advertising.

It was around this time that the first blow hit Funsip. Studies showed that Funsip was not easily available for the consumer. Advertising visibility existed, but not shopshelf visibility. Funsip was just not available at outlets where there was an opportunity to cater to an impulse purchase. At outlets where consumers could choose from a menu of fruit and soft drinks, the menu did not include Funsip.

The problem was rooted in Kremmer's distribution strategy. Kremmer had a common distribution setup for its dairy products, GreenFoods' processed foods, and Funsip. This bundling of all Kremmer products into one basket meant that an impulse purchase product like Funsip ended up in grocery stores and supermarkets along with the dairy products, jams and chutneys. It did not find its way to roadside vends or places of entertainment where cold drinks sales were brisk.

This fundamental flaw in distribution slowly dawned upon Kremmer's sales and distribution team. But by that time, the slow down had already begun. The initial boost during the trial phase had given way to a plateauing of Funsip sales. Its rivals, on the other hand, were growing at a faster clip.

Being in the wrong outlet was not the only problem for Funsip. The Kremmer sales force was not familiar with outlets that should have been stocking Funsip. It was not easy to sell to someone with whom there had been no past dealings.

As he rummaged through the old files on Funsip, Rao found numerous notes from Vaid, the product manager, to his boss, the marketing head. One such note read: "Funsip should ideally be present in Jacob's Fun Food Parlour, but he is not stocking RevvUp. Cinema halls like Sangam stock soft drinks, but we have no dealings with Sangam because it never buys RewUp, butter or jams. So, it does not appear on our route. These outlets are not central to foods and dairy products, but they certainly are prime outlets for fruit drinks."

Another note from Vaid to the sales head read : "There are three factors which drive soft drink sales. One, you must have a high frequency of service. Two, the outlets need extensive point-of-purchase promotion. Three, these outlets have limited cash; therefore, the brand that reaches the outlet first gets the biggest share of that cash. The latecomers miss out."

"We have a problem on two counts. One, we are servicing only one of five outlets we should be supplying our drink to. That's because we supply only to those outlets which are serviced by the common distribution network. Two, the timing of our service—while Frooti's van reaches these outlets at 7.30 a.m., our van reaches them only at 11.30 a.m. By that time, the outlets would have already bought Frooti. So, how can we survive in a seasonal market without aggressive selling ?" he asked.

Vaid's notes also pointed out that, given the high seasonality of the soft drinks category, Kremmer's servicing strategy was ill conceived. In soft drinks and fruit drinks, 60% of sales occured between mid-April and June. Then there was a small second summer (particularly in Delhi and Mumbai) between September and October which lasted four weeks. "We, therefore,

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

have to achieve our sales virtually in these 14 weeks," wrote Vaid. That also meant that those 14 weeks required a very intensive marketing and sales effort. That was a major problem because Kremmer's sales force and its distribution system weren't geared to handling a product with such high seasonality.

As he pored over the notes, Rao found that Funsip's failure was due to its faulty sales and distribution strategy; there was no problem with the product. He realised that the sales strategy did not optimise opportunities present in the market. For instance, he learnt that over 60% of soft drink sales happened at impulse purchase points like fast food places, cinema halls and roadside vends. But these were not being serviced by Kremmer because they did not fall in the distribution route of its dairy products, jams and chutneys. In other words, 60% of the sales demand was not being met by Kremmer.

Rao felt Kremmer should have set up a dedicated distribution system for Funsip. Also, Funsip had to be hived off as a separate profit centre to evaluate its performance. Earlier, Funsip was under the new foods profit centre and a common sales team handled its sales and distribution. Funsip's targets and revenues were simply added to those of RevvUp and other dairy products.

This posed another problem. The sales setup considered the mainline dairy products and foods business, not Funsip, as priority. After all, the dairy products and foods business assured higher volumes. This meant that the sales staff was not as interested in pushing Funsip as it was in selling jams and butter.

In operational terms, one business head looked after the dairy products business while another looked after allied foods businesses like ketchup, jams, frozen vegetables and Funsip. Both these businesses had a common distribution network. But since the major chunk of the products under the allied foods business had a destination common to the dairy products, there was no real need to look for a change. As a result, Funsip languished for want of a distinctive focus.

Kremmer's financial situation was tight at that time, since it had committed vast sums of money to the acquisition of GreenFoods and to refurbishing its processing and freezing plant. As a result, it was unable to commit any more money to the aggressive marketing that Funsip required. The marketing plan directed that 80% of the budget be spent on thematic advertising and 20% on promotions. This was in stark contrast to Parle's strategy, where the entire budget had been earmarked for Frooti's promotion. For example, if Kremmer gave one pack of Funsip free with a tray of 27, Parle gave five. Frooti had an added advantage because it came from Parle which had other beverages like Thums Up, Limca and Gold Spot. Each of these brands had a powerful national presence that gave Frooti a lot of marketing synergy. The money Parle made on its, fizzies was ploughed into Frooti.

There was another obvious problem: the outlets which stocked Gold Spot or Frooti were also the target outlets for Funsip. So, when Frooti gave an offer to the retailer, it increased his confidence in the Parle group, aided by the prevailing imagery of its beverages. The other players, too, had developed the agility to match Frooti's competitive thrust, but not Funsip.

Up against such powerful rivals, Funsip soon ran out of steam. While the first year losses were attributed to depreciation and infrastructure costs, year two saw a bigger drain. Eventually, the brand had to be withdrawn.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Rao could see that Funsip had failed in the market because of the diffused focus. "Today, Kremmer is stronger after a string of successes with its other food products. Now that we have the synergy and the processing plants, and since our foods business has become so salient in the domestic market, why don't we relaunch Funsip ?" he asked. "After all, Funsip was not rejected by the consumer. It failed because we did not get our distribution strategy right," he said.

However, managing director Saraf was wary about getting into the fruit drinks business again. "The marketing of fruit drinks is an altogether different ballgame. We have realised this the hard way," he said. "It requires a dedicated distribution system, a dedicated sales force and aggressive marketing. After all, in impulse purchase categories, success depends on the agility with which you can service the market. Where do we have that kind of resources and agility?"

"But why should that be a deterrent ?" asked Rao, surprised. "Ten years ago, we had another problem which was more overwhelming: a shortage of money. If we had the money and the resources, I suppose we would have taken corrective steps. But we were still in the growth phase and could not allocate huge sums to the marketing of Funsip. The processing business was new and we were still on the learning curve after the acquisition of GreenFoods. Today, we have crossed all that. Our fruit processing is better than it used to be, our systems are in place."

Vaid shook his head. "It's not just the money. Setting up a distribution system for soft drinks is a virtual nightmare. Ask Coke and Pepsi. It took these global giants many years to develop that market agility.

Do we want to go that route ? Then there is the channel servicing—refrigerators and refrigerated vans. The entire market place infrastructure is both expensive and time consuming. Let us face it : the problems which we had 10 years ago exist even now," said Vaid.

It was clear that Rao's optimistic presentation had little effect on Vaid. "We simply do not have the portfolio or channel synergies necessary to sustain, soft drinks selling. Our sales force will also have to change its mindset from money purchase products like RevvUp and jams and squashes to an impulse product that demands daily servicing. And that is expensive," he said.

But Rao was smitten by food industry reports that indicated a three-fold growth in the industry by the year 2005. Value-added foods would grow at an even faster rate, the reports said, since a shift from subsistence foods to value-added foods was expected, thanks to rising income levels ; and higher aspirations for quality and health. "We have overcome many of the hurdles. Can't we find a way ?" he asked.

However, both Vaid and Saraf could see the grave of Funsip with a huge epitaph that said 'Failed'. The thumping success of its dairy products and other businesses notwithstanding, the marketing of beverages was very different, felt Saraf, "The same problems will still be there. Beverages in tetrapacks are impulse purchase items. They sell on imagery and no differentiator really works. In this segment, the cost of entry is very high. The sheer upfront investment required in promotions and advertising will not be less than 20% of sales. This is a high-cost segment," said Vaid. "Bring back Funsip and you bring back trauma and failure," he added wryly.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

But Rao felt that there was an advantage in reviving Funsip. In fact, he not only wanted to revive the Funsip drink brand but thought of using it as an umbrella brand to sell squashes, frozen vegetables, multi-flavoured concentrates, fruit cocktails and even fruit pastes for infants and the infirm. "I don't think we should allow the past to stay so firmly entrenched in our mind. The opportunities today are far more, and the chances of success assured," he said.

But Saraf was categorical in his view. "The mere growth of the food sector does not assure success. Having the funds, too, does not ensure success. Besides, the soft drinks market today is far more competitive than it was 10 years ago. Creating a viable system today in a short time or at a low cost is unthinkable . I think we should steer clear of any plans to relaunch Funsip," he said. "What do you say, Vaid ?"

POSSIBLE SOLUTION A

STICK TO WHAT YOU HAVE[9]

Seen from Pratap Rao's perspective, there are many factors in favour of reviving Funsip. To begin with, fruit-based drinks have very high growth potential; the market, it is estimated, will grow into a multi-billion rupee one within eight years. Then there is Rao's vision of extending the Funsip line to fruit intermediaries and creating a large umbrella brand. And there is Kremmer's financial health—today the company is much stronger after its string of successes in the foods business. The right time, it would seem, to diversify into a high growth and high profitability area. A good many managers in Rao's shoes would reason that Funsip's initial failure was mainly due to its wrong sales and distribution strategy. Set the distribution right and there is a great business opportunity in reviving Funsip. Also, since Funsip is an impulse purchase product, set up a separate marketing and distribution network for better management of the brand.

This is where temptation should take a backseat to common sense. A dispassionate and rational analysis indicates that Rao's enthusiasm is, in all probability, misplaced.

Kremmer's current brand portfolio is itself fairly diverse. It is into its traditional milk food business — milk powder, butter, desserts and milk food drinks. It is also into jams, pickles and chutneys since the acquisition of GreenFoods. It is into ketchup. And biscuits. And frozen vegetables. It is not very clear how strong Kremmer is in each of these lines of business. Given the fact that GreenFoods is a fairly recent acquisition, it is likely that Kremmer has a long way to go to acquire market dominance or leadership in at least some of its new products. In such a situation, should Kremmer really think in terms of opening another flank in a resource-guzzling category ? Or should it focus all its resources on strengthening its alreadywide product range ?

On the distribution front, Kremmer has a strong network geared to service the "monthly purchase" outlets—the kirana stores and the supermarkets. Even if it is possible to set up a dedicated distribution system to service an impulse purchase product like Funsip, should Kremmer commit resources to a new distribution setup ? All of Kremmer's current products fall into the category of monthly purchase items. If Kremmer is committed to the introduction

[9]This case analysis has been done by Anand Bharadwaj who is the vice-president (marketing and marketing services) at Electrolux India.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

of newer products, it would be far more prudent to explore areas which can be serviced by the existing distribution network. And areas which are logical extensions of its existing product portfolio. For example, has Kremmer looked at cheese, given its strength in dairy products ? What about bakery products, which is a future growth area ?

It is also critical for Kremmer—and Rao—to assess the competitive environment. Today, the tetrapack fruit drinks category is dominated by two brands—Frooti, a mango drink, and Onjus, an orange drink. Both brands are narrowly focussed and have become generic to their respective flavours. Can a multiflavoured brand like Funsip really make any headway against its sharply etched competitors ? The chances are remote.

Finally, while Rao feels that "there is an advantage in reviving Funsip, not just the drink, but as an extended umbrella brand which would grab the opportunities in squashes, frozen vegetables, multi-flavoured concentrates, fruit cocktails and even fruit pastes for infants and the infirm", I wonder if he has considered the name and positioning issues. First, does the name Funsip still carry any baggage from its previous failed introduction ? And second, is Funsip the most appropriate name —with its connotation of a youthful, impulse purchase drink —to be an umbrella brand for the more serious categories into which he is planning an extension ?

Of course, if Kremmer does want to enter the processed fruit market, it could utilise its current distribution network amd follow a two-pronged strategy: one, it should launch Funsip as a "home", monthly purchase fruit drink in one litre tetrapacks.

And two, it should get into fruit intermediaries with a more appropriate brandname. This strategy may give Kremmer smaller volumes but would help it avoid a second heartbreak.

When a company is doing well in its areas of operation, there is a great temptation to reduce investments in the core businesses to fund a new attractive business diversification. There is a mistaken belief that the core business will not be damaged by a reduction in support, and that the more attractive investment opportunities will take the company to greater heights. It is this kind of reasoning that Rao seems to have fallen prey to. He would do well to strengthen Kremmer's current brand portfolio as well as the current distribution network. My advice to him would be to stick with what he is doing now, and look for ways to make it better. It is important not to dissipate energies over too many products and too many markets.

As Confucius pointed out, a man who chases two rabbits catches neither.

POSSIBLE SOLUTION B

RESIST THE TEMPTATION [10]

This is a classic case of a major temptation—a growing market, a profitable niche, no international player, no national brand. It's a good opportunity. But what do we have to harness it for ? Solar power is the best form of enegy but not all can collect and use it. It needs different skills, technology and mindsets.

[10] This case analysis has been done by Ashok Jain who is the Managing Director and CEO of Cadbury Schweppes Beverages India.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Most failures happen because people look at the 'size' of the opportunity, not the method to 'seize' it. A classic example of this is the mineral water segment in India. "*Paani to sabko chahiye, iske bina guzara nahin,*" ("Eveybody needs water, nobody can do without it") says Babuji and makes ' Paani Paani Mineral Water'.

So five such brands are launched every month and five more bite the dust. Babuji knows little about distribution and even less about marketing. He only knows how to buy cheap and 'manage' his tenders. He cannot succeed in a mass market category.

The raw material for both butter and chocolates is milk, said Amul. It did not realise that chocolate required a different mindset, a different marketing thrust and had to face intense competition which butter didn't have to. The chocolate giants, on their part, went into white drinks and tried the medical prescription route—nobody remembers the brandname today.

The tetrapack product business in India is somewhere between the soft drinks business and Kremmer's existing ventures. Soft drinks as a category is impulse driven, depends highly on image marketing, is capital intensive and relies on infrastructure. And competition in this field is ruthless.

Kremmer's portfolio is one of planned purchase, moderate marketing inputs and infrastructure. These are two entirely different segments; no wonder Kremmer failed. It's a surprise though that Kremmer had even achieved the magic marketshare figure of 25%. It's more likely that the marketshare figure was exaggerated for internal reassurance. With a distribution reach of about 20%, a marketshare of 25% is simply not possible. Herein lies the issue—with the existing mindset and distribution, Kremmer could have succeeded—but did not— with Funsip.

The world in the nineties is more sharply defined. Competition is more intense, the consumer more discerning, distribution methods more upgraded and the media simply explosive. The job for Kremmer is only that much tougher now.

Rao's plan is not one of adding to the portfolio but of diversifying into a distinct activity. It is not about adding to the existing businesses but creating a new one. It is not about utilising old skills but developing new ones. It is not just about synergies but also new mindsets.

Kremmer has three options :

1. Do nothing, add nothing and get more out of existing markets and products.
2. Create a new business with a completely new approach.
3. Or take a middle-of-the-road approach.

Let us evaluate option two. Processed foods is a sunrise industry and Rao's observation of it being profitable is correct. Further, the industry has raw material and process synergies with Kremmer's current businesses. Kremmer has only to figure out how to get more value from it.

Is Funsip the way to do it ? Perhaps not. It could well be, only if Saraf has a vision of growing a separate empire built on the impulse-driven category.

Does Saraf want to create a new business which is distribution, promotion, merchandising, capital and infrastructure driven ? Does Kremmer have the mindset, energy and capital to give new direction to this venture ? Is that possible ? Yes, albeit quite risky. For every one Onjus (from textiles to tetrapacks) there are umpteen Thrils (from alcohol to soft drinks) and Truptis (from windmills to mineral water).

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Can, and should, Kremmer take that risk ? With Saraf's mindset and inclination it is safer not to make that move. Rao should, therefore, push for Funsip only if it is a diversification move and not an addition to the existing portfolio. It should be the nucleus of a new business around which is built an empire of impulse purchase products. A failure once again could take away any enthusiasm Kremmer has for new projects. So Rao, no Funsip.

Therefore, Kremmer should take the middle-of-the-road approach. The company should move into concentrates, squashes, cocktails, juices... The industry is large. There you have material and process synergy, these products fall in the same purchase cycle patterns of the consumer, and competition is less intense. All that makes it a better and more feasible solution for Kremmer.

ILLUSTRATION 53

PEEPPING UP THE MENU

KOM Foods wants to ride piggyback on the success of its ground spices brand by extending it to other categories – but should it ?

Rishi Puri groaned as he gulped the tasteless dal. But he knew that after a long tiring day, there was little his wife could do to make the meal exciting. As he stared into the bland fare, he thought about the evening's meeting. And suddenly, Puri had found a way to pep up the dals in Indian homes.

That evening, Puri had an animated discussion with the owner and managing director of KOM Foods, Pran Nath Verma, on entering new segments in the food business. The trigger had been a request from a large chain of fast food restaurants for the supply of small sachets of salt and chilly flakes from KOM.

"My grandfather, who only wanted KOM to mill oil and sell it in yellow tins, would have been delighted to see how salient we have become," Pran Nath told Pun, the marketing manager of KOM. Indeed, when the late Kishorimal Verma had set up his business 30 years ago, all he wanted to do was sell oil. The business, aptly named Kishorimal Oil Mills (KOM), had done well and its name was established in the market.

But the third generation of Vermas ventured beyond oil. Ten years ago, KOM launched Quick 'N' Ready (Q & R) — ready-to-use powdered turmeric, salt, pepper and red chillies in convenient packs. The concept was a roaring success, and even KOM was amazed at the way the Q & R brand grew from strength to strength on the basis of just four spices.

Convenience was the key word. Pran Nath had seen his mother and grandmother toil over mounds of turmeric roots and red chillies. They would first dry them in the sun and then pound them into powder—an annual ritual which assumed epic proportions. That was when the idea of powdered spices took shape in the mind of young Pram Nath.

The launch was not preceded by much fanfare. Instead, Pran Nath decided to keep the advertising for Q & R as down to earth as possible. The ad showed four gold and ochre tins with Q & R in black with the spice name printed in a distinct purple, in both Hindi and English. There would be a large number of consumers like his grandmother who did not read English, Pran Nath reasoned. The copy was equally simple : Q & R for you. Simply reach out'.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

As the years rolled by and sales increased, a traditional Indian housewife was included in the ad. The copy said: "I use Q & R, do you ?" The message was clear even the traditional housewife was now reaching for Q &R.

Seven years after the brand was launched, QSR spices had become a full fledged profit centre at KOM. The company was delighted with the progress and spent heavily on stepping up distribution and reach. On the other hand, Pran Nath cut down on advertising since he felt the brand sold anyway. The oil division was a good vehicle and QSR rode piggyback on it into smalls towns and into Rae Bareli, where Pran Nath's grandmother still lived.

In the meantime, other player had also stepped mto the arena. Several other companies were now selling branded spices. If Q & R continued to perform well in the face of many other branded spices, it was simply because of its packaging. The housewife did not have to transfer the contents into a bottle. Q & R spices came in tins which went straight on to the kitchen shelf.

When the fast food company placed order, Pran Nath was delighted. In the past three years, sales had grown beyond his expectations. Liberalisation had introduced Indians to a vast variety of foods and Q & R gained immensly from this. For instance, in traditional Indian meals, salt was added at the cooking stage itself. But now the eating habit also included soups, noodles, macaroni and pasta which required salt at the serving stage also. So, salt on the dining table was now a necessity.

Pran Nath wanted the Q & R brand to grow. A consumer dipstick study conducted four years ago had shown that Q & R had come to stand for convenience. That was the positioning he wanted to strengthen. "We pioneered this convenience in spices. We created a brand which gained marvellous equity. Now what are we going to do with it ?' he asked Puri. "We must now come out with other convenience products like grain, flour, mineral water and snack foods."

"But we need to first validate the equity of the brand in the minds of consumers," said Puri. "The marketing job has so far focussed on merchandising, distribution and awareness building. We need to do a brand audit to examine the brand, its personality in the consumer's perception, its positioning and image. Right now, Q & R stands only for spices. It has an association with a handy, ready-to-use format. So it might not be possible to readily transfer such a name to something bulky like rice or pulses. Yes, you might argue that Q & R is an umbrella brandname, but given the current portfolio, the consumer perception remains that Q & R is spices."

Pran Nath did not think so. "We are not selling salt or pepper or rice. We are selling convenience. No doubt the initial sales positioning did stand for spices, but the brand can now be extended to other products."

Puru, however, wanted communication to precede that. "We started off by being a kitchen product. Now we want to move to other areas in food. That is too huge a leap to make just now. We first need to communicate that we have the expertise to make such a move. The consumer's faith in such a move has to be established," he said.

"But we are not moving away from 'convenience'," insisted Verma. "That is our core brand value and it is on that strength that we will make our extensions."

"True," agreed Puri, "but look at it from the consumer's point of view. What does Q & R mean to our current set of consumers ? Does it not stand for spices ?" he asked.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by MoE-IKS-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

"No, it stands for convenience. May be even hygiene and a modern lifestyle," said Pran Nath.

"But that's your positioning, not the consumer's perception," said Puri. "I think there is a difference between positioned values and perceived values. You have positioned Q & R as convenience, the consumer has perceived it only as convenient spices. That's because having said convenience, we did not go beyond spices."

Pran Nath was a little confused. "Okay, let us define the brand's personality," he said. "Q & R stands for convenient, ready-to-use products."

"There are many associations in the consumer's mind, " said Puri. "But the product association is with spices. In fact, we are known as a spices company. That is also because for 10 years nothing new happened to the brand. Q & R got too strongly entrenched as a spicebrand."

"But brands can change their association" argued Pran Nath. "Britannia, for instance, has now entered dairy products after 30 years of biscuits."

"True," agreed Puri. "But there was a method in that entry. There was a whole strategy of redefining the brand's image. Britannia even changed its logo, the visual communication of the brand's personality."

"Even when it entered dairy products, Britannia continued to work on biscuits," continued Puri. "It changed the packaging and brought in new types of biscuits which were in keeping with current snacking habits. In fact, it is even trying to redefine biscuit eating from tea time to anytime."

Puri was trying to stress that Britannia had worked hard on the entry strategy. "Had Britannia just brought out butter, it might have flopped. But it also launched cheese and several variants of it like cubes, slices and spreads. That gave the impression that the company had acquired the expertise to enter a new product category which was different from biscuits," he said.

"In contrast, Cadbury, which entered biscuits and fruit-based beverages, could not carry it off. That was because it took very long to change Cadbury's image as a chocolate company. The chocolate image was too entrenched in the minds of consumers. Cadbury could change that today, but with effective communication and execution," explained Puri.

Pran Nath thought about it. "My vision for the brand is very clear. Q & R has to stand only for convenience. I am only extending its value of convenience to other product categories. I can play that card and present any product in that category, be it mineral water, snack foods or dessert mixes. It's all a question of how you do it," he said.

Puri agreed that Q & R was a powerful brandname and could be extended. But he also felt that KOM needed to research and find out to which product categories and to what extent the Q & R brand could be extended. "I would like to stay reasonably close to our knitting—ready-to-use kitchen intermediates, " he said. "To move into products other than spices, or broadly even kitchen intermediates, you will have to dilute or redefine what the brand stands for. Only then can you extend it successfully."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

For that to happen, KOM had to be clear what Q & R's core brand value was. Going by what had been communicated so far, it was simply ready-to-use spices. At best it could be extended to all conveniences in cooking, felt Puri. But even there, he felt, it would be wiser to create sub-brands to differentiate the various segments. Extending the brand arbitrarily to cover all food items would not work, he felt. There was another problem : if a first-time consumer disliked Q & R rice, the chances were that that he wouldn't try Q & R blended spices either.

But Pran Nath was averse to creating new brandnames.

"Introducing a new brandname or even a sub-brand would cost me a lot," he said.

"You want to extend the Q & R brandname or the line because it is cost effective. But what about consumer loyalty ? Won't that be affected if you extend the brandname to products other than spices ?' asked Puri.

"Riding piggyback on a salient brandname is an accepted marketing principle," said Pran Nath. "If it succeeds, fine; if it doesn't, we abandon it."

Puri was started. "But what about the cost of test marketing ? We need to choose those products from your vast and varied menu that actually enhance the brand's core value. Rather than spend on test marketing each time, I'd rather we spend on research. Consumers tend to associate certain brands with certain products. For example, talk about packaged flour and the Captain Cook brand immediately comes to mind."

"But Captain Cook has been extended to salt. What about that ?" asked Pran Nath.

"If you take a close look at it, you will see that Captain Cook salt was launched soon after the flour. Two, the salt did not come without a differentiator. Captain Cook salt has a defined USP : free flow and a unique dispenser. That makes it more acceptable and—this one is important — it went on to reaffirm the company's image of an innovator. Captain Cook could have hitched on to the brandname and launched a basic salt, encashing on peripheral values like quality, hygiene and basic convenience. But what was also important in that brandname was that it stood for a pioneering effort in format. On the other hand, we propose to enter new food segments after a gap of 10 years. During this time, the image of Q & R as a spice brand has got entrenched. Even that can be overcome, provided we offer something unique. Ordinary rice must come with value addition," said Puri.

But Pran Nath felt the equity of Q & R was already so strong that it would readily extend itself to rice, flour or mineral water. "Our research indicates that the consumer knows that Q & R stands for quality and convenience," he said.

"That's fair," agreed Puri. "But let us separate our intentions from the consumer's perception and what we have communicated so far. We want to be seen as a brand in the business of convenience foods. What the consumser sees is a convenient spice brand. What we have communicated so far is convenience only, not quality, not taste."

Pran Nath was immesed in thought. Puri's argument did have some merit, he reasoned. He could see that even within spices there was not much that Q & R had done. "We could launch a host of blends like chaat masala, garam masala, sambar masala and curry powder," he suggested.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Puri had to now take his argument step by step. "Selling a commodity which has no value addition in terms of formulation is one thing. But the minute you start doing blends, you are entering the realms of taste. That is an altogether new value."

"What's wrong with that ?" asked Pran Nath.

"In branded spices, convenience is a given factor. But when it comes to blended spices, the key differentiator is taste. Specific taste enhances like garam masala and sambar masala are spices that families are not ready to experiment with. The taste is so deeply entrenched in their psyche that a garam masala on the platform of convenience is not a very marketable concept," said Puri.

"Precisely," said Pran Nath. "So we will say convenient and tasty. But first it is convenient, because you don't have to grind and blend and mix."

"Then what is your USP ? asked Puri. "If I launch a garam masala in a convenient package, consumers will try it out. But only the taste will make them come back for a refill. Will a consumer abandon an entrenched brand to buy a convenience brand ? Consumers are usually loyal to a single brand in blended spices."

Puri felt convenience was no longer a great value to flaunt in spices. May be it was 10 years ago. But now the consumer was likely to ask : 'What have you done for me lately ?'

"Which is why I want to offer grain, flour and mineral water in the first phase," said Pran Nath. "Customers have faith in the Q & R brand, hence they will buy anything Q & R offers. After all, every offering from KOM will be technological superior and the name Q & R will be a ready reinforcement of the quality it stands for. Then again, extending the Q & R name would imply that the quality is consistent."

Puri could see Pran Nath's point. He wanted to extend the Q & R brandname because it was successful. But the more he thought about it, the more he felt that Pran Nath was defining the brand's value rather narrowly. "The problem with a position like convenience or a brandname like Q & R which apparently stands for convenience is that it can be extended to just about anything. But we also stand the risk of overexploiting the position. All women like convenience products, but to a point. Relying too much on convenience can also be counter-productive because women do attach some guilt to it. Ask a woman why she buys Kissan tomato puree and she would say because its taste is so rich like tomato and it lends great colour to the dish.

Few would say they buy it because it is so convenient. Therefore, I would rather we play up other attributes.

If KOM wanted to enter grain and flour or even mineral water, then it needed a new brand name, felt Puri."May be we could subtly convet Q & R into a numbrella name," he suggested. "Launching a new brand is very costly, but it is more durable. Importantly, it can be invested with values specific to the grain segment. You can thus create a more hardy brand that captures the product values of ready-to-cook grain and flour," he said.

Puri then took up the key aspect of product viability. "How many of these suggested extensions actually address a consumer need ?" he asked. The problem, he felt, was less of extending the brandname and more of product viability. "Q & R potato chips might hold interest, but only during the trial stage," said Puri. "Thereafter, the consumer will go back to

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Ruffles and Uncle Chipps. Q & R will revert to being a spice brand in his mind. Let's not forget that the target users of spices and chips are vastly different. A potato chips consumer may not necessarily know about the equity of Q & R chilly flakes since he doesn't buy chilly flakes. Therefore, why Q & R potato chips ? Even if you called them Magic potato snack, they will meet the same fate. So, the brandname Q & R is not really adding any value to the product since the product itself is not filling a need gap. There are enough potato chip brands in the market today. Worse, it will be a me-too and that can erode consumer faith in KOM as an innovator."

Entering grain and flour did not appeal to Puri's marketing wisdom. He would have liked to build only the spice and ready-to-cook segments, building a new brand value: taste. "I still feel convenience is too feeble a platform to staywith. Ten years ago it was relevant. Today, every spice manufacturers is offering just that. Convenience must be seen as a given factor. Hammering away at that will create distortions even in our own communication : how much can you say about convenience in powdered spices ? Even lifestyle, for that matter. What does lifestyle mean ? It refers to a way of life that readily chooses convenience, even if it comes at a premium. But in spices that is a given factor. Your differentiator must, therefore, be taste, packaging or a dispensing format like Captain Cook salt or Catch table salt. How different would your rice and mineral water be from Kohinoor or Bisleri ?"

Puri felt that whatever product KOM launched must fulfil an existing need. That way it would remain relevant for at least five- seven years. He felt KOM needed to examine similar products which had failed or succeeded. "That does not mean that a product which failed yesterday will fail again tomorrow. But we must examine why it failed yesterday so that it does not fail tomorrow," he said to Pran Nath. "For example, Lipton's Tree Top fruit drinks failed, but Godrej's Jumpin is faring well."

Puri did not want to squash Pran Nath's enthusiasm, but he felt that before they could home in on a product category, it was crucial for KOM to study the lifestyles of its consumers and evolve products that fit into those lifestyles. "When we talk of convenience, let us look at needs and examine how many of them are already being met by current products in the market," he said. "We see a growth in double-income families and, therefore, the need for quick ready-to-use food products. Now, there are eight brands of well picked, long-grain quality rice. Do we want to be the ninth ? How are we going to differentiate our offering unless it is ready-to-eat ?"

The meeting had ended in many questions but no direction. Now, as he gulped down the bland fare before him, Puri wrote on a piece of paper : *'We would all like to eat a gourmet meal everyday but all we manage is a regular fare of dal, rice, roti and an easy vegetable. Who wants instant soup at 9 p.m. when all a woman wants is to be able to rustle up a trendy dal ? We have done very well in soups and desserts, but what about the main course itself ? What adds excitement to a meal is gravy dumplings in kadhi, exciting seasoning to dal. Why don't we exploit this area ? Could we, therefore, package seasonings in sachets which can be added straight to the dal or to hot butter ? For example, jeera-kasoori methi or rai-adrak-shredded garlic ? Or dehydrated pudina and methi for parathas ? In the rush to finish the chore of cooking dinner, we have long forgotten to dress up our dals. But if we offer a sachet of dehydrated onion, methi and garlic and call it Methi Maharaja, that might be exciting and convenient. The same seasoning could well go as a stuffing in parathas or for garnishing plain rice. Versatile and convenient. "*

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

POSSIBLE SOLUTION A

OF BRANDS AND EXTENSIONS[11]

What is a brand ? A benefit ? A position ? Or core value ? How often have we discussed this in real life with our marketing colleagues, with our advertising agencies, even with our chairman. The characters in the case study seem to go around in ever widening circles, in complex design and with ever increasing intensity till one fears that they are about to get lost in the morass of their own words.

What is a brand ? There are over a thousand definitions (may be even a million), each more complex than the other. I have this son who does consultancy in marketing, somewhere in Europe. He tells me that a brand is nothing but a name, which has a set of associations and benefits, emotional and functional, attached to it. Not bad, for a definition.

However, how does a good brand differ from an ordinary product ? A good brand (such as Q & R) is different from an ordinary product because it provides a reason for purchase which is unique and different (in a manner which is meaningful to consumers) as compared to its competitors. I would call this consumer rationale—which is responsible for the brand purchase decision—the brand position.

So, in the fewest possible words, I would define the brand position as the answer to two simple questions : Who am I ? And why am I different from the others (in my category) ? Why buy me in preference to the others (amongst my competitors) ?

See how simple it is.

The discussions that Rishi Puri and Pran Nath Verma have had can be easily resolved in the following manner. Agree that Q & R is nothing more than a name for the brand. That is all it is. Having agreed on this simple fact, try and understand whether it is a good, strong, powerful, competitive (use any adjective, all or one) brandname. The way to do so is to first state your brand position. Then, obtain consumer response as to whether your understanding of the brand position is correct; and evaluate if the brand position is seen to be unique and competitive (through market research). Having understood the brand position and what it offers, then determine the extent to which the specific brand position can be extended.

Next, is there a difference between the company's perception of the brand position and the way the consumers see it ? Does the brand have a position in the market which is both unique and competitive ? If so, then there is no problem, you have a good brand. If not—well, that's another case study.

Now comes the fun part. How do you wish to extend your brand ? Pran Nath wants to extend the Q & R brand to grain, flour, mineral water and snack food. Puri is more conservative and wants to launch products under sub-brands (whatever that may mean). Pran Nath says Q & R stands for convenience ; Puri thinks that the brand is limited to spices. Indeed, every time Puri and Pran Nath speak to each other, they say something different.

---

[11]This case analysis has been done by Shunu Sen who is the CEO of Quadra Advisory, a strategic marketing consultancy firm. Sen was earlier director at Hindustan Lever from where he moved to RPG Enterprises as its president (marketing services).

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

This is the difficult part which is really quite easy if you have followed steps one to six above as they should be done. Brand extensions are really the extension of the brand (which is just a name). Hence, the inclusion of the new products is a part of the existing brand position. This means, if the existing brand position is as a 'taste additive', then products such as grain, flour, mineral water and snack foods are out; blends like chaat masala, garam masala, sambar masala and curry powder are in. Possibly, even sugar can be included in the range. On the other hand, if the brand is positioned as the 'house wives help', then a wider range of food products can be considered.

Incidentally, convenience, ready-to-use and good quality are not positions but brand descriptors and are unlikely to be unique as differentiators in the market; unless the market is totally underdeveloped.

Let us now look at examples of successful extensions. In the first case, Colgate—here we have an example of extending the brandname with the same brand position. In the second case, GE, where we have the same brandname extending the basic brand position. In the third case, Coca-Cola, we see an attempt on the part of the most successful brand in the world trying to extend its brand position into another category; and not succeeding. However, they were successful with the same brand (that is, Coke) in a different position in the diet cola category.

The examples:

1. Colgate is a very strong brand, but it is limited to oral care. It does not launch a shampoo called Colgate but calls it Halo or Optima. It does not have a skin cream called Colgate but prefers to call it Charmis; its shaving cream, Palmolive, and so on.
2. GE, an equally strong brand, is however extendable over refrigerators and washing machines, financial services, power utilities, medical products and to a host of unrelated categories because 'they bring goodthings to life'; and do so successfully in all these categories.
3. Coca-Cola, a soft drink manufacturer, thought it could extend the brandname to casual clothing but found it could not. On the other hand, the brand could extend to the diet segment, which was another product category.

So, we end by wishing Puri and Venna lots of luck. They need common sense, some time, a cool head, a reasonably good marketing manager, patience and a bit of courage in developing their new product strategy. And, oh yes, a bit of luck.

POSSIBLE SOLUTION B

FLAWED ASSUMPTIONS[12]

There is a fatal flaw in the assumptions Puri and Verma are making about the Quick 'N Ready brand's easy transferability across different product categories. Indeed, there are numerous examples of successful brand extensions. But brands do not exist or work in isolation. Let's begin by understanding the value of brands.

---

[12] This case analysis has been done by Prem Kumar who is the managing director of Frito Lays India, a Pepsi Co. group company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

Brand equity denotes the trust the consumer has and the guarantee the markets gives about the value components of a product offering: quality, price and imagery. Successful brands not only have an irresistible consumer proposition, but are also supported by a viable economic proposition, enabling the marketer to deliver superior value to the consumer at a profitable price. The owners of successful brands have competency across the entire value chain — understanding of consumer attitudes and usage, efficient distribution, cost-effective manufacturing, consistent quality delivery, least cost raw material supply and the marketing muscle to support the brand. To sum up, the brand defines the entire value equation and, therefore, the name alone is not good enough to ensure success in a new category. That will depend upon the ability of the marketer to offer a superior value proposition.

And make no mistake—brands can also be mortal. For example, take Dalda—one of India's most venerable food brands. The brand catchline literally was "trusted for generations". This vanaspati brand was successfully extended to refined groundnut oil. But look what happened in the last 10 years. Aggressive new players like Amul and ITC have completely altered the mosaic of the branded edible oil market. Not only are there new brand icons like Dhara and Sundrop, but even the fundamental consumer behaviour has changed dramatically. Consumers don't hesitate to switch from sunflower to soyabean to mustard or groundnut oil depending upon the price. Dalda is virtually a non-player in this market today. (May be the marketer decided that this category did not fit into its portfolio).

Verma and Puri are inspired by the example of Britannia successfully going into dairy products like cheese. But they seem to overlook the fact that Britannia's parent Danone is a major global player in the dairy market, giving Britannia access to the entire range of competency in research & development, manufacturing, recipe formulation and so on. The strategy seems to be to cash in on the recognition of the Britannia brand — which has been repositioned as an umbrella brand—rather than create and establish a new Danone brand for diary products. This will save some money in establishing a new brand and ensure a quick trial build-up, but success in the end will depend upon delivering a superior value equation for each product. The Britannia name may help, but the name alone is no guarantee for success.

There is another critical question. Do you have to be a multinational to succeed in the Indian food market ? The answer thankfully is an emphatic no. Last year McKinsey & Co. did a study of the Indian food industry and the opportunities to build a profitable business. One of its key conclusions was that the winners in the food industry will be local players. They give examples. Nestle, the world's largest food company, accounts for only 3-4% of the total food market in western Europe. Even the top 10 food companies account for only 16% of the total food industry in Europe. At a category-specific level international players can and do dominate but that is an exception rather than the rule.

KOM can succeed in another category. But it will have to choose its strategy carefully and acquire the skill set and competency to be competitive across the value chain. If, for example, it wants to get into branded pulses, KOM will have to start from the farm itself—increasing yields, reducing the number of middlemen in the sourcing chain, efficient milling to minimise waste and improve quality, packaging, distribution *et al.* This will require a long-term vision commitment of resources and organisational skills. Leveraging the Quick 'N Ready brand may help give the business a good start but it is not a guarantee of success. And that's because the consumer has a choice of several offerings.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

India has hitherto been a supply-driven market—get a licence, build a factory and keep your overheads low—with assured returns. But the game is changing with emerging competition (both local and global) in category after category. Entering a category with parity product and parity pricing will not work. As supply exceeds demand, the consumer will choose either a lower price or a superior offering. The successful players in the end will be those who deliver a superior product at a lower price.

While KOM is scouting for new opportunities, it should also do a sanity check. The company should find out if its existing business can compete against a probable competitor which may enter the category and change the rules of the game. In the early eighties, when colour television first came to India, the dominant brands were Crown in the west, Sonodyne in the east, Dyonara in the south amd Weston and Texla in the north. Today none of these exists, and the dominant players are BPL, Videocon and Onida. Several new players have entered the TV market in the last two years. Let's wait to see who will survive the next decade. India can be a cruel market for brands that cannot adapt to changing times.

ILLUSTRATION 54

THE FUNDAMENTALS OF STRATEGY FORMULATION[13]

"Do we need a strategy ? As an automotive ancillary, we have operated for nearly 15 years without one. Business has been good, our linkages with our customers have been strong, technology and funds have never been a problem since dedicated suppliers like us are not easy to develop. We continue to link our schedules, our costs, and our quality standards with those of our buyers. But, yes, I can sense that there is a change taking place in the industry. Post-liberalisation, a realignment has begun, with the emergence of Tier-I, Tier-II, and Tier-III suppliers. Without your own technology, it is difficult to reach the top of these tiers. Moreover, it is difficult to compete with global suppliers without investing in scale. Everybody in my company is aware that the external environment is changing, but no one is able to fathom its magnitude. Naturally, we are not sure whether a supplier needs a strategy. If we do, how should we develop one ? And should we articulate it ? Or should it be kept a closely guarded secret ? Can we diversify without a strategy ?.... " Vinod Abhayankar, the young CEO of the Pune-based Auto Components, was tossing the issue of strategic planning in his mind even as he addressed a meeting of the Young Presidents' Organisation. Godrej-GE Appliances' Vijay M. Crishna and Om Kaul Associates' Om Kaul debate the (non-) issue.

OCCASION	:	Young Presidents' Organisation (YPO) Meeting
DATE	:	August 7, 1996
TIME	:	4 p. m.
VENUE	:	The Carlton Chambers, Mumbai
PRESENT	:	Vinod Abhayankar, CEO, Auto Components; Lalit Desai, Chairman, YPO; Members of the YPO
AGENDA	:	The Need For Strategic Planning

[13] Case Study by R. Chandrasekhar. The names of the companies and the persons described in this case study have been changed in order to protect their identities.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Lalit Desai : Good evening, ladies and gentlemen. Let me begin by welcoming our guest speaker for today, Vinod Abhayankar, the CEO of Auto Components, which manufactures the Zebra brand of shockabsorbers. Founded by his father, Dhanvantri Abhayankar, in 1984, Auto Components now enjoys the status of being a preferred supplier to many of the Original Equipment Manufacturers (OEMS) in the Indian automobile sector. Vinod will speak about the problems he faced while implementing a strategy-planning process in the company. Vinod...

Vinod Abhayankar : Thanks, Lalit. I always look forward to these meetings of the YPO which, apart from being the country's only association of young CEOS, provides me with an opportunity to discuss the problems of managing a business... I wish to correct Lalit at the very outset. We haven't implemented strategic planning at Auto Components; we are in the process of doing so. We are still grappling with two questions. First, do we need strategic planning at all ? That's surprising since strategy is supposed to be high on every CEO'S list of priorities.

Second, how should the company formulate a strategy ? Should it be based on Auto Components' present position in the industry ? Or should we factor in the emergence of new forces in the future—such as technology, scale, and costs— and draw up a strategy in the light of their impact on our operations ? I thought I could use this platform as a sounding-board, and fine-tune my own approach to strategic planning. Please feel free to interrupt me...

It has been nearly a year since I took over as the CEO of Auto Components. I returned from the US in 1995 where, after completing my MBA, I worked in the Production Planning Division of a transnational. I was looking forward to a promising career, but chucked it in deference to the wishes of my father, who wanted me to return home to take over the family business. A technocrat, he has spent his life in the automotive sector and decided, in his mid-40s, to set up a company of his own. Auto Components started off as a captive ancillary unit for Sadgati Motors, then a fledgling four-wheeler manufacturer. Our initial capacity of 1 million shock-absorbers per annum has grown into 3.20 million units. Incidentally, the total output in the country is 21 million units per annum. However, the growth in the top-line has been erratic. There were years when Auto Components grew by 80 per cent; in others, the company registered a negative rate of growth.. . Yes ?

That is bound to happen when you are a component manufacturer. A feeder unit's fortunes, invariably, move in tandem with those of its OEMs. Is there anything peculiar about the shock-absorber market ?

Yes, there is. The thing is that there is no replacement market. Not only do most auto-ancillary units fare better than the automotive sector, they are also insulated from recessions because of the after market. Unlike most auto components, whose life is between 2 and 3 years, a shock-absorber can last for anything between 6 and 8 years. You can also re-condition a shock-absorber—a process that extends the life of the product by at least 2 years. At less than a quarter of the price of a new one, re-conditioning is cheaper than replacement. Of course, although the owners of premium vehicles will not opt for re-conditioning, we do not get volumes there. So, we are fully dependent on the OEM market.

As a manufacturer of shock-absorbers, are there any other market segments you can target ?

No. Basically, the shock-absorber functions as a dampener of shocks resulting from the vertical vibrations of a vehicle. Its function is to absorb the jerks transferred from the wheels to the frames, thus ensuring a comfortable ride. Typically, each shock-absorber consists of 2 oil-

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

chambers. Whenever a vehicle passes over an uneven surface, the movement of a piston-rod results in the displacement of oil, leading to the generation of a dampening force. Almost the entire output of shock-absorbers produced in the country is used by the automotive industry. Shock-absorbers are both technology- and capital-intensive — a big barrier for new entrants. Since the specifications are unique to each customer, their design is critical. A shock-absorber with only a few moving parts is considered to be better. Importantly, the quality of the raw material—bright bars—is crucial to the production of a quality shock-absorber. Again, there is little possibility of the unorganised and small-scale sectors making a beeline for this business because of these factors.

Incidentally, since 1991, we have had a collaboration with Sephantu, a Japanese component-manufacturer. We chose Sephantu because it supplies shock-absorbers to quite a few Japanese auto majors, some of which have set up operations here. In fact, this collaboration has helped us get new customers since Auto Components enjoys a preferred-supplier partnership with some of them. It has also placed us on a strong wicket as far as our future plans are concerned. It will now be easier for us to become a sourcing-base for both European and Japanese auto majors for their global operations—a possibility that we will examine shortly. I believe that only by becoming a part of the global value-chain can we become competitive.

Let me raise one question that we have frequently asked ourselves in the past 12 months : should we cater to other markets as well ? I can cite the example of Sephantu, which has a capacity of about 1 billion shock-absorbers per annum. It also makes telescopic front-forks for two-wheelers, and has a bearings division manufacturing a complete range of bi-metal bearings, flanges, and washers. These bearings cater to the requirements of the railways, the marine, and the power industries. Sephantu looks at them as related diversifications, and sees nothing wrong in focussing on those segments too ...

You are now dependent on a solitary end-user industry, but have a captive clientele. All you need to do is to maintain the relationships with your buyers, work closely with them, and be an integeral part of their value chain. I can see your reservations about the need to evolve a strategy at Auto Components...

As Lalit mentioned, Auto Components enjoys a preferred supplier status with 5 leading OEMs in the country. We get technical and financial assistance from our partners. They encourage outsourcing, and some of their clients have become global sourcing-centres. We have access to their Total Quality manuals and Management Information Systems, like the Spider Web Charts. It is a symbiotic relationship, and both partners tend to win. When the market is assured, production is predictable, the customer-list is captive, and we have a single product orientation, why do we need to plan 5 years in advance ? After all, we will continue to enjoy the benefits of bonding. Auto Components can easily operate through Management By Objectives and annual budgets — as it has been doing in the past. Our planning schedules are linked to the plans of our customers. We don't need a separate strategic planning process at Auto Components ... Yes ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

It is worthwhile recalling the introduction of the concept of strategic planning in the West. The interest in strategy was caused by the realisation that the external environment was becoming progressively discontinuous with the past. Objectives and annual targets alone were no longer adequate as tools of managerial initiative. Strategy was important because a company needed direction in its search for, and the creation of new opportunities. You had to identify your core strengths as part of developing the business strategy...

Core has little relevance in a business like ours. That is, if you mean a unique attribute which straddles several segments, markes, and products. A two-wheeler company would view itself in the transportation business, and a petroleum company would categorise itself as an energy business. But there is no common core capability as far as our single-product business is concerned. There is no common thread I see that can link our present and future product-markets.

I think you are mistaken. Objectives represent the ends that the company seeks to attain. Strategy is the means to achieve those ends. It provides the roadmap...

I thought as much. That is why I took the next step: enlisting the help of an outsider. We shortlisted 2 consultancy firms, Strategic Consultants, a transnational company, and Transformation Consulting, a local firm, and asked them to submit proposals for formulating a strategy, and to help us implement it at Auto Components. Teams from both the firms have spent several hours with us, and submitted their reports. The contrast in their approach to strategic planning is striking ...

How does your father view the need for strategy ? After all, he was the one who built the company...

He is sceptical. He feels that strategy is fine for large corporations with diversified interests, but doesn't make much sense for Auto Components. He often says that nothing works better in business than gut-feel—his ultimate touchstone. The rest is all frills, serving no more than an ornamental purpose. I am less sceptical, and more open to the idea. I feel that it is imperative for us to know where we will be 5 years from now; it will help us work towards an objective. Once we have identified a goal, we can start building structures, systems, and an organisational framework that will help us achieve that goal. It is crucial to have the big picture. That is where the importance of strategy lies ...

Aren't both these consultancy companies well-known for their work on strategy ?

Yes. Strategic Consultants is headquartered in New York, with 32 offices across the world and over 500 consultants on its payroll. It enjoys a formidable reputation in strategy-formulation. What interested me was the fact that it has done substantial work on the automotive industry and has a senior partner, based in Frankfurt, who focusses exclusively on the auto industry. The distinguishing feature of Strategic Consultants' approach is an underlying belief that strategy must be based on present data—not future trends. It will identify for us those segments, channels, price-points, product-differentiators, selling propositions, and value-chain configurations that will yield us profits. But the identification is focussed strictly within the present framework of the auto components industry. Incidentally, the firm has made it clear that it will not be involved in the implementation process ...

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

I am not very comfortable dealing with a consultant who stays away from implementation. What about the second firm ?

The sheet-anchor of Transformation Consulting is just the opposite. It believes that the purpose of strategy is not only to enable Auto Components to compete today, but also to ensure that it remains competitive in a fluid market situation. The firm aims at reconfiguring the auto components sector to the advantage of Auto Components—not just maximising the company's profits.

Both the proposals I have received are well-structured and cover a wide canvas although I must mention that the fees quoted by them are quite high for a 3-months project. While Transformation Consulting has quoted Rs 12 lakh, Strategic Consultants has asked for a fee of Rs 17 lakh. The former says it will depute a senior partner and 3 associates, one of whom will work full-time on our project. Strategic Consultants will depute a principal and 2 associates on a part-time basis. But its offer is quite attractive since its partner will be flown in from Frankfurt for all the major discussions ...

The fee is, indeed, high. But it isn't a major issue as long as the consultant delivers. My concern is more about the organisational approach of the 2 consultancies...

Strategic Consultants' approach is top-driven. It does not believe in involving employees at different levels in formulating a strategy. It forms a team consisting of 2 senior managers of the company and 2 of its consultants. The team lays down the strategy that, it thinks, is good for the company. That is quite in contrast with Transformation Consulting's approach, which is both top-down and bottom-up. It seeks the active involvement of employees, who are asked to define the kind of organisation they want their company to be given, of course, the changes that are expected in the future ...

Strategic Consultants is too focussed on the present while Transformation Consulting builds a vision for the future as part of its strategy. The latter's approach is a radical departure from the conventional route to strategy-formulation. It is the novelty of the approach that fascinates me ...

Permit me to read out the relevant portions from Transformation Consulting's report : "Our methodology comprises 4 phases : Envisioning, External Analysis, Internal Analysis, and Action Plan. These phases will be implemented during the course of 4 separate retreats spread over 3 months at the company's holiday-home at Lonavala (near Mumbai), where all the senior managers of Auto Components will gather ...

At the beginning of the one-day session on Envisioning, the lights will be put out in the conference-room for a minute to signify a disconnect with the past. Once the lights re-appear, the designated co-ordinator from Transformation Consulting will announce that it is 2003. Each manager will then be asked to imagine himself as part of Auto Components in the 21st Century, and talk of what the company will be as he, or she, sees it. Although the exercise will be structured, it will be informal and free-flowing to break the ice and loosen up people. Not used to looking beyond day-to-day operations, many managers are likely to fumble. But, at the end of the day, everyone will be comfortable with looking ahead into the future...

External Analysis, spread over the next 3 days, will be more focussed. Managers will be asked for their perceptions about the customer, the competitor, and the macro-environment in 2003. They will be required to answer the following questions: who are Auto Components'

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

customers ? Are they local or global ? What are the specific needs that they expect these products to fulfil ? Why do they prefer Auto Components to other manufacturers ? The competitor-analysis would seek to probe questions like : who are Auto Components' competitors ? What are their cost advantages ? What are their strengths and weaknesses vis-a-vis Auto Components ? Why do customers buy these products ? What is their brand equity ? The analysis will examine the impact of technology, government policies, and cultural and demographic trends on the auto components industry. Mainly, the objective of Phase 11 will be to arrive at a summary of opportunities and threats for Auto Components in 2003 ...

Phase III, comprising Internal Analysis, will begin a month later, and will be spread over 4 days. Aimed at enabling managers to look inwards, the Internal Analysis will be split into Performance Analysis, and Strategic Options. The performance of the group will be measured both on financial parameters, like profitability, sales, and returns on assets, and on non-financial parameters, like supplier relationships, product quality, and customer satisfaction. The participants will, then, determine the strategic options available to Auto Components. This would involve reviewing past strategies to identify strategic problems, organisational capabilities, and constraints. Based on these findings, a summary of the strengths and weaknesses of the group will be arrived at.

The final part of Phase III will involve defining the core competencies of Auto Components, and updating a statement of vision. The last session will be used to determine the strategic plan to move Auto Components from 1998 to 2003. It will address questions like the core competencies the company should build, the product-market segments that it should focus on, and the buyer-and-supplier linkages it should leverage within the industry ..."

There is a difference between the two approaches. Strategic Consultants' gameplan depends solely on the CEO's vision while Transformation Consulting's approach seeks the involvement of senior managers in obtaining a vision ...

Transformation Consulting's approach to strategy is different from the conventional time-tested approach in many ways. I, for one, am wary of any approach that is untested. Traditionally, corporate strategic planning has been based on the present position of the company in the industry. There are a number of grey areas in this approach. Take the capsule on Envisioning, for instance. Very few middle-level managers, caught up as they are with routine operational issues, have the ability to look beyond the limited time-horizon of a year. That's my major apprehension ...

More fundamentally, I am not sure if strategy formulation can be a bottom-up exercise. A vision, for example, is always driven from the top. It is only when a vision needs to be articulated that the involvement of middle management becomes imperative. But, as far as envisioning is concerned, it has to be confined to senior management. This raises a second crucial issue : is there a need to document strategy ? Personally, I feel that the strategy of a company should not be documented. Only then will it ensure confidentiality. As Strategic Consultants' approach points out, strategy should be confined to a handful at the top. It can never be an across-the board initiative ...

That is the way I feel too. But I am open to both opinions although, I must confess, I am unable to decide on which one to follow. I am aware that some companies link strategy to vision, but this linkage has not been well-documented. Strategy should be based on the realities of today; not the dreams of tomorrow. We have to make sure that we do not become the guinea-pigs for a strategy-formulation exercise.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Is there a need for a strategy at Auto Components ? Does a small company operating in a predictable environment need to formulate one ? Can approaches to strategy be so conceptually different ? Should Abhayankar go by gut-feel and, by using in-house talent, do what he believes is right for the company ? Instead of spending time on documenting a strategy, shouldn't Auto Components just have an informal plan of action, governed by the intuition of its senior managers ? Since the company has a team which knows its business better than any consultant, why should Auto Components bank on external ideas ? Should strategy ever be documented?

POSSIBLE SOLUTION A
THE FUNDAMENTALS OF STRATEGY FORMULATION[14]

Vinod Abhayankar's problem reflects what is happening to many ancillary units in the automotive sector in our country today. However, why he has brought it out into the open at a meeting of the Young Presidents' Organisation beats me. Evidently, the members of this organisation believe in informal discussions on the strategies of a company and the dilemmas before the CEO. Abhayankar, perhaps, feels that views similar to his own—particularly when they are articulated by his contemporaries—will offer him some psychological advantage when the issue comes up for discussion with his father, who is, evidently, not too enamoured of the merits of strategic planning.

I too have a business which, like Auto Components, is a preferred supplier to an OEM. And I am facing a similar dilemma. It is noteworthy that Abhayankar is new to the family business; it has only been a year since he took over the reins. Viewed in the context of his limited familiarity with it, he has done the right thing in soliciting an objective analysis of the business by inviting two management consultancy firms to formulate a strategic plan for Auto Components. The task before him is formidable. He needs to examine as many alternatives for growth as possible, and an outsider's perspective is crucial to finding the right answers to the questions he has been raising. In fact, it is always better to involve an outside agency while formulating strategy. Doing it in-house will never deliver the desired results.

Several industries are plagued by growth problems. There are many factors at play: quality has become the new business gospel, customers are more demanding, costs are escalating, and margins are under pressure. But the real reason, of course, is the emergence of new forces of competition. Several new players, excited by the growth potential, are simultaneously crowding the market place. Which has resulted in short and medium-term anguish for the other participants even as they deploy various tactical tools. Most companies, for instance, are being forced to resort to rigorous price-cutting in order to generate growth and gain an edge over their rivals. They hope that topline growth will come to everybody's rescue, and that it will neutralise all the managerial mistakes of the past.

In the prevailing conditions, as we have seen over the last 2 years, topline growth is, often, erratic. This is normal in a situation in which new competitive forces are at work. There is a break with the past in the case of several industries. Even in industries where trends were predictable, things are going haywire. This is particularly true of technology-driven industries the world over. In fact, I would say that Auto Components is fortunate that it does not have to contend with highly-pronounced cyclical patterns in demand. Planning is complicated in cyclical businesses, and life is no cakewalk for their stakeholders.

---

[14] This case analysis has been done by Vijay M.Crishna who is CEO, Godrej - GE Appliances.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Such an ambience demands a radical approach from managers, who have preferred the conventional route so far. We are rapidly realising that the environment is becoming, increasingly, unpredictable. Nothing has an air of certainty and finality any more. Indeed, it is now incumbent on a company's stakeholders to formulate strategies to manage uncertainty. Business is seeking growth in the bottomline regardless of whether it is able to generate it in the topline. This calls for a strategy that goes beyond the vision of the people deeply involved in the day-to-day operations of a company.

While the need for strategic planning is undeniable—in fact, Auto Components has no choice but to evolve a long-term strategic plan—the next question revolves around the route that the auto components manufacturer must take to manage tomorrow. There are, quite simply, no hard-and-fast rules that will work. Approaches to strategy can be different, and provide exhilarating alternatives for teams that work on them. Sometimes, the danger can be in deciding which to choose; there is no fool proof approach to strategy. Abhayankar must develop his strategy in a detailed fashion. He can then use his understanding of the business and his father's gut-feel to develop an action-plan. This could be the basis of the strategic goals that Auto Components desires to attain.

Abhayankar already has a team of second-tier managers in place to implement his gameplan. This is crucial to the success of any strategy. Most companies are now realising the importance of committed second-tier managers. That is certainly the case with the companies that I run. Auto Components must also avoid the pitfall of believing that its own internal team can plan a suitable strategy and execute it. As I said earlier, those of us deeply involved in a business develop a tunnel vision which, often, prevents us from adopting different ways of arriving at the desired end. Certainly, the internal team will have to execute the strategy, and must, therefore, be involved in its formulation. That will secure its support to change, and make it accountable.

However, Abhayankar, his father, and the senior team have a challenging job in terms of choosing the strategy they are going to adopt from the two totally different approaches propounded by their consultants. While neither is faultfree, it is necessary to consider one comfort factor : the CEO should give the assignment to a firm that the company's managers are comfortable in dealing with. Finally, it is the managers who will have to execute the strategic plan, whose success will be determined by their understanding of the organisation's financials and human resources. Of course, it is also critical to set a time-frame for change at Auto Components.

POSSIBLE SOLUTION B
THE FUNDAMENTALS OF STRATEGY FORMULATION[15]

Auto Components faces a common dilemma: it perceives itself as a mere ancillary unit to an automobile-manufacturer—not as a large maker of auto-components in its own right. Besides, a sustained rate of growth can make any organisation, and especially a supplier unit, complacent. Suffering from a limited aspirational mindset, notwithstanding the misgivings of Abhayankar and his team, they need to develop a strategy. Irrespective of the nature of a company's business, the purpose of strategy is two-fold. First, it enables the corporation to exploit external business opportunities by scanning the environment and leveraging its competitiveness. Secondly, it reduces the in-built vulnerabilities of any business.

[15] Case Study by R. Chandrasekhar. Referred by Price water house Coopers. The names of the companies and the persons described in this case study have been changed in order to protect their identities.

CC-0.Panjab University Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

For instance, as far as Auto Components is concerned, its limitations are its narrow product-range, its ageing manpower, and a rigid, albeit focussed, customer-base. Even when the business environment is predictable, strategy is required for 2 reasons: cashing in on opportunities in the short run. And ensuring the viability of the company in the long term. Adaptability and change-management are intrinsic to strategy-formulation as they involve the repositioning of the enterprise in a changing environment. Clearly, strategy begins from the outside, gradually moving inwards in its response to change. It is the external environment which provides the fundamental trigger for change in any organisation. Strategy-formulation involves the following processes:

1. **Scenario - Building :** This lays the ground for strategic planning by placing the organisation in a forward-looking mode, which encourages its people to think about alternative directions for their future growth. Many assumptions about the future of the company that are embedded in the minds of people—emerging customer needs, changing industry structures, and the company's response to both—get clarified in the process. However, a CEO should guard against one pitfall. Most scenario-building exercises fall prey to extrapolation; the underlying assumption is that the future will grow from the present. Strategic planning's advantage lies in visualising the discontinuity. And the best gameplan is the one that enables an organisation to anticipate, in advance, change through discontinuity. An organisation that triggers off discontinuity in the entire industry is, probably, best-placed to secure the biggest competitive advantage. Such an advantage can only be derived by embarking on a scenario-planning exercise, which is the first step in strategic planning. Such an approach would provide an auto-components manufacturer with critical insights into emerging supplier-buyer configurations. To me, it is surprising that Auto Components hasn't conducted an environment scan so far.

2. **Competitive Analysis :** An in-depth understanding of your competitors—their visible performance and their less-visible management practices—is important. An awareness of your vulnerabilities to competition—such as an excessive dependence on limited raw material sources, a small product-range, a narrow customer-base (particularly, few government customers), and a small production capacity—is essential. Competitive analysis enables a company to look for ways in which it can best position itself not only to exploit its inherent strengths, but also to attack the weaknesses of its competitors.

3. **The Swot :** One component of this process is the SWOT Analysis. The CEO must ensure that it does not lead to depression by excessive attention to organisational weaknesses or, alternatively, a tendency to justify existing practices. Both are common in most organisations undertaking a SWOT exercise. Confidence-building, a transparent outlook, and mutual respect for differences in opinion are important at this juncture. All of them can lead to objective introspection, and a focus on key strategy areas.

4. **GAP Analysis :** Out of the possible series of gaps that will emerge in the context of future requirements, it is advisable to concentrate only on the few that can provide multiple advantages. This is important from the point of view of focus.

5. **Resource Planning :** Many strategic plans fall flat since they are not able to pin-point their resource requirements. There is a need to assess the organisational structure, finances, technologies, and alliances required to achieve the aspirations spelt out in the strategic plan.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

6. Action Planning : Implementation is not an inherent strength. So, the key strategic initiatives should be treated as projects, and assigned to project leaders at various levels of implementation. By pursuing a well-defined strategy, an organisation can sharply focus on its business objectives without providing any room for the development of vested interests in the organisation.

Strategic thinking is required to expand Auto Components' business options by defining which markets the company is operating in, and what it would like to be in future. Several alternatives could emerge if the top management questions the wisdom of sticking to the existing business. Some possible options: tubular auto components, marine engine components, and non-auto engineering products. Indeed, Abhayankar does not appear to be against related diversifications although he still is not able to pin-point his company's core competence. Such thinking should also encourage Auto Components to add to its capabilities and end-users. There is also, I believe, a need to involve an external consultant, who is willing to work through the implementation of the strategy even while involving all the layers of the organisation in the process.

ILLUSTRATION 55

MANAGING IN A MATURE MARKET[16]

"Denim was a dream in the 1980s. It was growing even as our strategy was working. We had, in 1986, taken a conscious decision to concentrate on denim to insulate ourselves against the shifts in fashion that value-added products are vulnerable to. Simultaneously, we went in for huge capacities to bolster our economies of scale. That helped us in 2 ways : it assured us good margins, and gave us an opportunity to become a globocorp. I remember the business magazine, Biz Tomorrow, talking about our strategy in glowing terms. I was even mentioned in their article on The Globogiants as Asia's most innovative entrepreneur. But, sometimes, the past is too much to handle. Today, we seem to have lost our rhythm. We keep on asking ourselves whether globalisation is the best response to a shrinking denim market; whether we must reverse our cost strategy and opt for product differentiation; whether we should build retail muscle in the domestic market to offset our global shortcomings. We are at the crossroads..." Asheem Chowdhury, the 54-year-old Chairman and Managing Director of the Rs. 1,040 crore Surya Mills, was a worried man. G.S.L. India's R. C. Bagrodia and Bharti BT's K. Ganesh examine the denim-manufacturer's upstream and downstream options, and suggest what it must do to survive in a saturated market.

Excerpts From A Personal Review Of Surya Mills by Asheem Chowdhury, Chairman and Managing Director

October 5, 1997

Fifteen years is a long time in any business. It makes you nostalgic. I remember those days in the mid-1980's, when we were fighting for our survival. Ever since then, it has been a rousing ride for the company. Thanks to some early initiatives—which the management magazine, Leadership, credited to me—we have achieved extraordinary growth in volumes over the years. I know that that growth would not have been possible if we hadn't worked as a

[16] Case Study by R. Chandrasekhar. Referred by Price water house Coopers. The names of the companies and the persons described in this case study have been changed in order to protect their identities.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

team. It took the $20-billion Hexagon Denim of the US a century to build a capacity of 140 million metres. It has taken Surya Mills a little over a decade to build a capacity of 120 million metres—beginning with 3 million metres in 1986 — and to join the global league by becoming the world's third-largest denim manufacturer.

We are truly a global company. We have 5 marketing arms : in Boston (catering to the US, Canada, and South America), London (catering to the UK and Europe), the Philippines (catering to the Far East), Mauritius (catering to Africa), and Mumbai (catering to the CIS and West Asia). We have 4 sprawling manufacturing facilities in Hosur, Mumbai, Noida, and Port Louis (Mauritius) besides 7 warehouses: 2 in the US, 2 in Europe, and 1 each in Hong Kong, Dubai, and Port Louis. The logistics that such a global operation entails is efficiently handled by a 7-member team based in Mumbai.

Three years ago, we were excited about occupying the top slot in global denim production. Today, we are compelled to stagger our expansion-plans. The excitement of yesteryear has waned. The pace of growth is beginning to slow down. I am a little concerned, bombarded as I am by my memories of the heady go-go years of the 1980's.

October 7, 1997

I had lunch today with Peter Williams, who taught me Business Strategy at Wharton Business School (Wharton), and is on a lecture-tour of the country. We spoke about the Boston Consulting Group's (BCG) product matrix, which classifies a business portfolio into dogs, question-marks, stars, and cash-cows. "Can there be a progressive movement of a company from a dog (low marketshare in a low-growth segment) to a question-mark (low marketshare in a high-growth market) to a star (high marketshare in a high-growth segment), and, finally, to a cash-cow (high marketshare in a low-growth segment) ?" I asked him. Peter said that the BCG classification is a diagnostic tool, designed to help CEOS decide which businesses to retain and which to exit from. But it is entirely possible for a business to move from a dog to a cash cow. The question is: is there life after a cash-cow ?

As an industry matures, profitability matters more. And other objectives—such as improving your competitive position and increasing marketshare—recede in importance. Profitability becomes more important because you start expecting returns on investments made during the growth-stage. Marketshare becomes less important because demand tends, by definition, to stagnate in a mature industry even while relative competitive positions become stable. Surya Mills is in a similar situation with its denim business, which has become our cash-cow—and has made the company extremely vulnerable.

There is no doubt that denim has become a low-growth business. The global market has become saturated; denim consumption is not growing in the developed countries of the world, such as the US. Now, the global growth of denim hovers between 4 and 5 per cent per annum, down from 20 per cent in the beginning of the 1990s. Not surprisingly, there has been a gradual deceleration in the growth of global capacity. Europe has had no capacity-expansions in the last 2 years, and has, in fact, been hobbled by the under-utilisation of existing capacities. Business strategies are shifting there; mills are switching over to high-value products. Surya Mills has been catering to global demand by exporting over 70 per cent of its output for years. Suddenly, those export markets are beginning to shrink. Uncertainty threatens the future of our core business.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

October 10, 1997

The origins of Surya Mills' success in denim can, in fact, be traced to 1982-83. That was the period when the domestic textiles business was going through a lean patch. I had just returned home, after graduating from Wharton, to take over the family business set up by my grandfather over 4 decades ago. Surya Mills had been a profitable composite mill, manufacturing a wide range of textile goods, like dhotis, suitings, shirtings, sarees, bedspreads, and towels, for the homemarket. But the powerloom sector was gradually cutting into our business. It had no entry-barriers. It enjoyed excise concessions. And its impact on the composite mills was crippling.

But, unlike our contemporaries who were struggling to find ways and means of fighting the powerlooms, we decided we had to wriggle out of the stranglehold that these new entrants were beginning to gain over us. Our step was bold and innovative. We opted to move out of our traditional businesses, and look for one with high entry-barriers. Denim fitted the bill. The barriers were high. Very few Indian firms had access to worldclass process-technology, which entailed dyeing cotton-fibre with indigo to get denim. Capital costs were high too : a 10-million metres per annum denim-making capacity, for instance, entailed an investment of Rs. 70 crore.

The global demand for denim was high in those days; the annual rate of growth of production was more than 25 per cent. We thought that, that would take care of domestic market fluctuations. A glut in domestic capacity, or a shortage in local demand could be overcome through exports. Besides, denim was a product with low fashion-content, which would eliminate any cyclical patterns in demand. The choice of denim as a vehicle of growth made eminent sense. Today, the situation has reversed itself. Denim demand is shrinking interationally. And, although domestic demand is rising, it is bad news for a global company like Surya Mills, which has always sold no more than 25-30 per cent of its output in the domestic market.

October 15, 1997

Over the years, we have built up strengths on several parameters. Take cost leadership, for instance. Unlike a majority of the textile mills—which use the conventional method of absorption costing, where overheads are allocated to products on a pre-determined basis to determine the cost per metre—Surya Mills uses marginal costing to determine the contribution of each activity centre towards amortising its fixed costs. Through marginal costing, a company can discover which products are contributing to fixed costs—and, therefore, are worthy of retention in the product portfolio—and which products are making a negative contribution and, therefore, should be purged. The technique has enabled us to keep a tight control over cost and pricing.

It is actually our efficient usage of cotton that has provided us the cost advantage. Cotton accounts for only 57 per cent of our raw material costs compared to over 65 per cent worldwide. We have been using superior processes to reduce the intensity of cotton in denim and improve its utilisation ratio. The cost of cotton is 50 per cent of the total cost of production in most foreign companies; it is 39 per cent at Surya Mills. Our aim is to lower it to 32 per cent by 2000. That would give us a big advantage over our global rivals.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

October 17, 1997

One of the keys to Surya Mills' leadership in denim lies in its efforts at regularly tracking developments in textile technology worldwide. We worked with a Japanese jet loom-maker in 1991 to make air jet looms that cut our capital costs by 50 percent. We introduced the Slasher Dyeing Technology—a single-stage operation unlike the conventional 4-stage, rope-dyeing know-how—which not only reduced costs, but offers better colours too. To get a high quality finish in a shorter time, we went in for foam technology instead of the traditional wet and-dry process. It was obvious that all these steps provided Surya Mills a cutting-edge over even its biggest global competitors.

October 20, 1997

Success has a way of wearing down. Most of our workmen have been with Surya Mills since its inception in 1960. I know a number of workmen on the shopfloor by their first names. We keep talking about the future of the mill, and I often see a sense of weariness in them. They are frank enough to tell me that everything about their daily routine here has become predictable over the years. The systems have been set, there is a great deal of standardisation, but there is little novelty.

The excitement of building a world-class business, which fired their imagination during the mid-1980s, appears to have waned. How do I bring back the excitement ? How do I shake people out of their complacency ? I would hate to see our leadership, built up painstakingly in several areas, slipping away from our hands just because people are no longer excited about what they are doing. Sometimes, I think we need a crisis at Surya Mills to whip up some drive and enthusiasm in all our people.

October 22, 1997

We have worked hard to make Surya Mills a global enterprise. We have made impressive strides on various parameters: assets, reserves, profits, and dividend payouts. It is time to think in terms of our return on investments. Our Return On Capital Employed (ROCE) was 11.10 per cent in 1990-91. It has been gradually coming down; it was 9.70 per cent last year. My managers tell me that the decline reflects the vulnerability of our operations to fluctuations in the price of cotton. Two years ago, the price of cotton shot up from Rs. 34 per kg to Rs. 54 per kg, reducing our operating margins from 21.80 percent in 1993-94 to 14.60 percent in 1995-96.

Should we integrate backwards to grow our own cotton ? Will that give us the necessary control over cotton-prices ? I must find out. Of course, I am not aware of any domestic textile mill integrating backwards. But several of our global competitors have done so. We could explore this upstream opportunity. If cotton is our Achilles' Heel, it is time we addressed the issue squarely, and as speedily as possible.

October 25, 1997

I brought up the issue at the Management Committee Meeting this morning. I understand that the law does not allow corporates to buy land for agricultural purposes. But, as part of liberalisation, things are going to change, sooner or later. My managers tell me that the government is keen on amending the Urban Land Ceiling and Regulation Act (1976). Meanwhile, it would make sense for us to scout for technology in cotton-cultivation. Australian technology, I understand, is good, and may suit our agricultural conditions. I must send a team to Sydney to explore this possibility.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

I wonder whether I was right in focussing solely on denim. We purged several products from our portfolio in 1984, when we decided to move out of the powerloom orbit. Most denim-makers worldwide are moving into high-value garments and readymades to increase their profitability. I have asked my managers to examine this downstream opportunity as well. There is one risk we must avoid. In our pursuit of different product-lines, we must ensure that our competencies are not fragmented.

October 28, 1997

Diversification need not be the only route to profitability. Many companies increase their margins simply by adopting a different pricing strategy. But, in a mature market, we will not be able to increase our prices without losing volumes. Nor will we be able to increase volumes without reducing prices. That's because the overall demand is stagnant. Nevertheless, a price increase can improve profitability even with a loss of volume. The effect of an increase in price will feed the bottomline. In fact, the effect of a volume loss will be partially offset by a decrease in variable costs. A price decrease can improve profitability if it is accompanied by a large volume increase, especially if the company is not operating near full capacity.

Vikram Sahi, my President (Marketing), who has spent 12 years with us since he graduated from the Indian Institute of Management, Ahmedabad, has done some generic calculations on how far product-prices can be modified over different time-periods, and their likely effect on volumes. He has worked out a schedule of percentage changes in volume for given percentage changes in price for each product-line. What we should consider is the likelihood of such an action triggering off a price-war in denim, both locally and globally, and the ability of our competitors to win such a war.

I have a feeling that small companies in the domestic sector—our nearest domestic competitor, incidentally, has a capacity of 40 million metres per annum—might win a price war, but only in the short term. If we are willing to sacrifice profitability in the short term, we could win a long-drawn-out contest because of the greater scale of our operations and our financial resources. Another option that came up during our discussions was product rationalisation. Surya Mills has continually introduced new denim products during the growth stage but has, in my view, failed to phase out products which are no longer in demand. I have a feeling that we have a far wider product-range than is necessary from the point of view of profitability.

The product-range can be reduced without reducing volumes. We can give customers the choice of either accepting high-volume, standardised products, or paying a higher price for low-volume, tailor-made products, where the price will reflect the latter's higher production costs. This kind of rationalisation has another advantage: it will substantially reduce our stocklevels, and cut our manufacturing costs by achieving longer production-runs for standardised products. It is noteworthy that denim, per se, is undifferentiated. But it is in value-added product-offerings such as ring denim, over-dyed denim, and stretch denim—that Surya Mills should seek to distance itself from the competition. Sahi tells me that these variants also offer higher yields because they are price-inelastic. I agree with him. We should explore this possibility in the near future.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

November 1, 1997

Apart from pricing strategy and product rationalisation, there is a third approach we should consider in our pursuit of profitability : customer rationalisation. I think we should pare down the number of buyers we do business with from the existing 60 to a more reasonable 10 or 12. That will yield us higher sales and bigger profits. Hexagon Denim is a classic instance. Over 80 per cent of its sales is routed to just 8 buyers worldwide. It chooses its customers very carefully and practises relationship-marketing with them.

It is not enough to produce high quality output any more. Customer delight is the new competitive weapon in the marketplace. I keep telling my managers at every available opportunity that product quality has ceased to be a competitive edge. It is a prerequisite for entry. Without it, a company is not even in the running. Customer satisfaction, too, has become passe. Instead, you should be able to delight the customer so that he looks to you for his entire requirements, and does not even consider switching over to your competitor. But delight means 2 things: building long-term relationships with a limited set of high volume buyers, and delivering the appropriate price-quality-service bundle to them. We must learn to do both.

November 5, 1997

Although the domestic market for denim is expanding, there is a limit to the kind of growth that Surya Mills can expect from the domestic market. Afterall, we need some time to grow the market. We cannot afford to dilute our global aspirations. Simultaneously, it is unlikely that world denim demand will grow beyond single digits in the next century. As long as denim was a star business, giving us high marketshare in a high-growth segment, we had little to worry about. Now that it has become a cash-cow, Surya Mills has cause for concern. Having set up huge entry-barriers in denim, how do we consolidate our business ?

At the Management Committee Meeting this afternoon, we were looking at what some of our global competitors are doing. They are either diversifying into value-added products, niche marketing, or brand-building. All these activities pertain to forward integration. I am convinced that we will have to strengthen our high-end shirtings division, and use a two-pronged approach to improve our profitability: create brands, and focus on retailing. Apart from strengthening our existing denim brands— Time Machine, Oldport, Wild, and Ling— we will have to introduce new brands in shirtings, knits, and gabardines. But we need the retail muscle to make a splash downstream.

November 7, 1997

We were looking at possible investments in new product-lines in high-growth markets. Our shirting capacity can be hiked from the present 8 million metres per annum to 24 million metres at a cost of Rs 360 crore; a 10.50 tonne per day capacity of knitted fabrics would cost Rs. 150 crore. These investments in capacity-creation, accompanied by brand-building, will enable Surya Mills to strengthen its market leadership by the turn of the century, I hope.

November 10, 1997

Retailing is emerging as the new growth area. We should get into this area both by becoming franchisees for global labels and by launching our own brands. It is not difficult to achieve a 20 per cent marketshare in the next 3 years. But should we have exclusive showrooms ? Or opt for franchising ? We could try both. Surya Mills should send goods on a consignment basis to our franchisees. This helps at both ends.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

For the franchisee, it eliminates the risk of buying goods and getting stuck with unwanted stocks. For Surya Mills, it eliminates the risk of the franchisee not placing orders until the stocks are liquidated. Of course, it is we—not the franchisees—who will bear the inventory-carrying cost. As opposed to the normal practice of offering a 30 per cent margin to the retailer, Surya Mills could pay a 17.50 per cent commission to the franchisee. Assuming that the inventory carrying-cost is 4.50 per cent, and the distribution cost works out to 3 per cent, we will still have an effective saving of 5 per cent on the retail margin.

November 14, 1997

I remember what Williams had told me years ago at Wharton. He had said that strategy has to be flexible enough to accommodate changes in the business environment. Some of the changes in the future, he had said, would be cataclysmic. So, strategy had to be as flexible as possible. Surya Mills exercised the strategic option of cost leadership some years ago. I wonder whether we have the ability to acclimatise ourselves to a strategy of product differentiation in the future.

How can Surya Mills consolidate its leadership position in a business which has become mature and has little chances of registering double-digit growth ? What are the growth options before the world's third-largest denim manufacturer ? What are Chowdhury's immediate priorities ? Does Surya Mills face a threat in its core denim business ? Is the cash-cow on the verge of becoming a dog ? Should Chowdhury focus on the domestic market or should he redouble his efforts in the global market ? Should he take the plunge upstream into cotton-cultivation, or should he advance downstream into value-added products ? Is divestiture an option for Chowdhury ?

POSSIBLE SOLUTION A
MANAGING IN A MATURE MARKET[17]

To maintain its leadership position in a business that has become mature, Surya Mills should examine the situation in the light of 4 factors: scale economies, cost leadership, intensity of globalisation, and entry barriers. On all 4, the company ranks well ahead of most of its competitors in the denim business.

Remarkably, in about 15 years, the company has built up a 120-million-metre capacity in denim output. It has also established a formidable global marketing network. Little wonder, then, that it has become the world's third-biggest denim company. Evidently, both these steps were taken on the assumption that the denim market would continue to grow. It was an assumption that has gone wrong. What was considered a strength has now become a liability. Denim is losing its grip on the markets of the developed world, such as the US and Europe. There is every chance that even the Asian markets will follow suit.

I can understand CEO Asheem Chowdhury's concern over the volatility of cotton prices. But I do not see backward integration into cotton cultivation as a solution. Although it would provide the denim business a cost-advantage, backward integration is risky for a company which lacks upstream skills. For, the future of denim is bleak due to changes sweeping the

[17] This case analysis has been done by R.C. Bagrodia, who is Chairman G.S.L. India.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

fashion world. The company's cost-leadership is under attack now. What was once a core strength is no longer so today. Unless remedial measures are taken, there is a possibility that the cash-cow could turn into a dog. He should, therefore, tread carefully since the growth prospects for denim—Surya Mills' core business—are no longer bright.

Leadership in the denim business has little meaning unless some core segments—which are not vulnerable to the vagaries of fashion—are identified. Until then, all efforts to strengthen leadership must be put on the back-burner. Any business can be easily fine-tuned by increasing the returns on capital employed. It means increasing machine-productivity and modernising manufacturing-facilities. It is likely that the globocorp has overlooked this issue in the pursuit of growth and marketshare. The second step is to critically examine the company's R&D capability. Surya Mills should make use of extemal R&D facilities, which are available in the textile industry. Such facilities can also help the company to develop alternative product-development methods.

It is important that Surya Mills bolsters relationship marketing, which the CEO has referred to in his diary. The objective of such an exercise is to ensure that the areas in which the company has been doing well continue to strengthen the bottomline. Surya Mills should quickly identify loyal customers and assiduously cultivate new relationships with them.

Brands are always crucial to the success of marketing. Surya Mills should, therefore, work on the flagship brand. As an interim measure, it should generate brand related loyalty in the youth segment. Incidentally, there is a vast untapped demand for denim in the rural market, especially small towns. Denim is easy to maintain and economical; hence, it is popular in the countryside. Rural demand could have gone unnoticed at Surya Mills, which has relentlessly pursued the global customer. In the long run, the rural sector should generate enough volumes to neutralise the company's present setbacks.

For a manufacturer like Surya Mills, fashion-shows are important as well. They get the necessary mindshare by highlighting the use of denim. Unlike the older generation, youth does not mind paying for value-added products. So, customers under 30 should be Surya Mills' new target customer-group. The company should leverage its global position in building a brand image. Such a step would force the competition to follow suit, increasing the size of the market.

Although denim producers in the developing world have enough resources at their command, they have weak sales and marketing infrastructures. Both logistics management and competitive intelligence are essential to forge ahead of the competition. Surya Mills should emphasise value added marketing, where brands deliver what they promise. So, the company must make new promises—and ensure that they are met. Advertisements that build the brand image should be put out in both the print and the electronic media even as cost-management exercises are set in motion on the shop-floor. In fact, Surya Mills should perceive the present situation as a golden opportunity to spruce up its downstream strategy.

There is, of course, the risk of organisational complacency. The company should, simultaneously, consider related diversifications, particularly into downstream products. The idea is to ensure that whenever there is a downturn in one product segment, other product-lines will subsidise the operations. This means that Surya Mills should develop a basket of products and services in different segments. Readymade jeans are a good example. This process would also help kill those products which, even while doing well in the past, are losing propositions today.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

The company should also develop a trading and merchandising division, which could market the products of other manufacturers. But such products must complement Surya Mills' denim brands. The company should also explore the possibility of these buyers using its denim in their product-offerings. And the denim manufacturer must not ignore the Afro-Asian market, where the commodity still has strong demand. Only by making these efforts can Chowdhury transform a potential dog into a cash cow.

POSSIBLE SOLUTION B

MANAGING IN A MATURE MARKET[18]

Surya Mills represent the classic case of a business that has done well in times of growth. Over the years, it has built substantial core strengths and raised entry-barriers. Today, it is caught in the pincers of a slowdown because of external conditions : stagnating growth, and rising input prices. Simply put, Surya Mills does not know what strategic direction to take. Should it continue to follow a cost-based strategy or should it focus on product differentiation ?

I would not recommend additional investments in increasing denim-capacity at this stage. Nor do I favour backward integration into cotton-cultivation. These measures would have worked only if the market was growing rapidly. Surya Mills already enjoys a cost-advantage because it is able to utilise cotton efficiently. Cotton cultivation is an entirely new business, which needs new technological skills and partners. It is a different game.

The company's foreign competitors might have undertaken backward integration while the market was growing at 20 per cent. But, clearly, at this juncture, Surya Mills should refrain from investing managerial and financial resources in this area. Since it is a bulk buyer of cotton, it would be worthwhile for it to enter into long-term pricing-agreements with cotton producers. To be sure, a healthy buyer supplier relationship will minimise the impact of input-price fluctuations on the company's denim business.

Significant investments have been made over the years to erect entry barriers. Now, Surya Mills must try to maximise the returns on those investments. The company's plants and technology can be used for other product-lines, which will generate returns without big investments. Such a step would increase the productivity of the company's workforce which, in turn, will push up the Return On Capital Employed. I am not sure whether this will be feasible in the long run. But the possibility definitely needs to be explored by CEO Asheem Chowdhury.

The company is clearly focussed on the world market, with the domestic market accounting for a small share of its sales. Its closest competitors must also be facing the pressures of market-saturation and low growth. It is, therefore, possible to explore other avenues of competition, where some tasks of its rivals are undertaken by Surya Mills, and the benefits of efficiency, capital cost management, and superior processes are shared by both Surya Mills and its competitors.

---

[18] This case analysis has been done by K. Ganesh CEO, Bharati.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In the current scenario, there is clearly a need to focus on attractive segments. One of the main weaknesses of Surya Mills is that it does not have a diversified portfolio. A key message from the Boston Consulting Group model is that it is dangerous for any company to have all its products in only one sector, however attractive it may be. With only one cash-cow, Surya Mills is in danger of becoming a dog. In fact, it does not have stars or question-marks to lend its portfolio balance and stability.

Several options for products have been discussed. These, I feel, should be the management's focus areas. Value added products, which have high growth potential, are excellent question-marks. Product-lines like shirtings need to be ventured into so as to provide the portfolio a balanced look. Care must be taken to ensure that the question-marks have the potential to graduate into stars and cash-cows. It calls for a risk analysis since Surya Mill's investments could be large.

A tried-and-tested strategy in the cash-cow stage is to milk a product for profits, which can be ploughed into other areas. But there is a need to push down the costs as much as possible to reap the benefits. This can be done through activity-based costing, and scrutinising the areas where costs can be easily saved. In fact, product and customer-rationalisation are good ideas to lower costs and increase customer satisfaction.

Niche-marketing is a good option, but I am not sure that it will solve Surya Mills' present problems. While profitable niches need to be identified and addressed consistently, the size of the current operation is too large for successes in niche businesses. They cannot, by themselves, neutralise low market growth and declining returns on investment.

Since market growth is stagnating, one possibility is to explore the opportunity of consolidation. Are other large producers exiting from the denim business ? Given the cost-advantages associated with manufacturing in this country, would a merger with a large player benefit both parties ? M&A may also give ready access to new markets, even raw material supplies. The PIMS (Profit Impact of Marketing Strategies) model states that higher marketshare leads to increased profitability. This will also give Surya Mills more room to control prices.

If Surya Mills is unable to increase its cash-flows in the denim business, it could be sold. This is an option that Chowdhury must examine. Clearly, the cash-cow stage is ideal to generate cash for investments. So, theoretically, it is best to hold on, cut costs, avoid any fresh investments, and postpone a sale to a later date when marketshare is falling, or the product is in the decline stage. Although the price realised from a sale would be lower, the company would have reaped its rewards by that time.

Retailing is a specialised and different activity, where Surya Mills has no core competence. This should be analysed in isolation rather than as a solution to the current problem. The company does not possess the critical skills that the retailing business requires. That option can be considered only if the denim business is sold. Until then, Chowdhury should focus on the immediate task at hand.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART III
THE CASE STUDY EXERCISES

SECTION I
CASE STUDIES IN MANAGEMENT

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Pantalab Jammu

SECTION I
CASE STUDIES IN MANAGEMENT

CONTENTS

Case 1	Job Satisfaction
Case 2	Copying with frustration
Case 3	Experience V/s Expertise
Case 4	Promotions and Designations
Case 5	Learning from Experience
Case 6	Too big for One man
Case 7	Remedy for low Turnover
Case 8	Expand or Suffer
Case 9	Relative on the job
Case 10	From Clerk to Partner
Case 11	A Space Case
Case 12	Organising Office Staff
Case 13	The Mechanis of Success
Case 14	Failure of Planning
Case 15	From Manager to Advisor.
Case 16	The Computer Problem
Case 17	International Company Head Office Bearer
Case 18	Expansions Ecstacies and Agonise
Case 19	Villians of the Screen
Case 20	The Truck Driver
Case 21	Machine Tools Manufacturing Company
Case 22	XYZ Engineering Company
Case 23	Light Engineering Company
Case 24	Effective Management in Small Firm
Case 25	University as an Organisation
Case 26	The ONA Power Company
Case 27	The Madras Makers Company

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Case 28	Mr. Dixit The Operator
Case 29	The Multi-Flow Products Company Limited
Case 30	General Insurance Company
Case 31	Ajit Trading Company
Case 32	The Excelsior Department Store
Case 33	The Fine Textile Manufacturing Limited
Case 34	Mr. Gopal Rao, The Proprietor
Case 35	Supervisor's Orders
Case 36	The Star Production Company
Case 37	Madhav Wadkar
Case 38	The Frustration
Case 39	Automation - The Communication Gap
Case 40	Head Office and Branch–Accountability
Case 41	Environmental Control – The Safety Factor
Case 42	Blue Bird Plastic Company
Case 43	Popat Engineering Company
Case 44	Transfer Industry and the Recession.
Case 45	Supervisor's Dilemma
Case 46	Mathur's Case
Case 47	Collaboration
Case 48	Sarvodaya Structures Limited
Case 49	Fruit Processing Unit
Case 50	Methods of Management
Case 51	Strong and Solid Fabricators Limited
Case 52	Subsidiary Company
Case 53	Production Manager and Performance
Case 54	Work Performance
Case 55	Job Orders for Fabrication
Case 56	Ramesh's Deficiency
Case 57	Company Secretary
Case 58	Foundary Manager
Case 59	Managing Business
Case 60.	Engineering Industry
Case 61	Iron and Hardware Company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 1

JOB SATISFACTION

Jayant had prospered fairly well in his service and had a reasonably good pay and status. He, however, started feeling clamped when the Boss's young son joined the business and started interfering with the day-to-day work of senior officers. He also felt that for proper development; his stills demanded a wider field, which would not be available under the boss's son.

He toyed with the idea of standing on his own legs. As a result of discussions with friends, he picked out one friend Dinesh who was in more or less a similar situation. They together listed the alternatives before them as follows :

A : To continue the status-quo

B : To seek other employment

C : To join together to form a consultant firm

D : To join together to form a small jobbing firm

E : To do as in (C), but independently

F : To do as in (B), but independently.

When they analysed the alternatives they felt they had not got the finance or the "influence" to insure a degree of confidence for success. At the same time, to continue as it was to court frustration and demoralization.

Some Issues :

1. Was the son introduced into the business after:
   (a) normal training
   (b) appreciation of working situations.

Some Issues :

1. How is it that the subsidiary Board was not aware the responsibility for improper working day ?
2. If decisions were largely with the parent body, why there a separate Board for the subsidiary ?[1]
3. Why did the parent body not respond to the subsidiary's constructive approach ? Could it be that the subsidiary authorities approached the parent body without proper formal and informal preparations ?
4. Why did the Chairman start blaming others and resort to post-mortems ? Could it be an ego reaction as he could not admit that his suggestions were not acceptable to the parent company ?
5. Would it have been better if he had said frankly that they were not able to take the parent body with them and therefore the management of the subsidiary should consider what could be done within the scope available to them ? Why was such an approach not taken ?
6. Does this look like a real happening ? If not, and since in fact it is, what does it signify in terms of our business and industrial institutions ?

---

[1]Case Sources : Dr. R. M. Shah - Case Studies in Indian Management.
Case No. 2, 3, 6, 7, 8, 13, 19, 20, 22, 28, 32, 36, 99. 41, 42, 46, 66. 76. 92, 33, 100, 107.
Jaico publishing House. - Mumbai 4000 23,

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 2

COPING WITH FRUSTRATION

1. An engineering industry in a cosmopolitan city was not running well. After much frustration and consultation with people experienced in management and technology, it was set right and substantial progress was made.
2. At this stage, an outsider was brought in to bead the unit. He was a retired medical practitioner in a former state.
3. The new heads background (medical profession in a native state), and of the local people (Engineers and executives accustomed to cosmopolitan working) did not go well together. There was much stress and strain. Finally, things seemed to settle down. Production improved through pressure. Previous senior people were not happy but did not leave.

Some Issues :

1. Why did the finance bring in a medical man ? Could it be because :
   (a) he was a friend,
   (b) a seasoned autocrat who could "push" things ?
2. Why did he not give a chance to his own men or take a professional man from the field ? Would it affect his
   (a) freedom of action ;
   (b) feeling of "security" ?
3. Why did senior people not leave or protest more effectively ?
4. What does production rise after such a change indicate ?
5. Why were knowledgeable people consulted earlier, and the new head brought later ? Is this a sequence of significance or merely accidental ?

CASE 3

EXPERIENCE VS. EXPERTISE

1. A large industry of national importance was developed with limited finance by a set of entrepreneurs, who started on a small scale, It worked very well and developed nicely in a period of about 15 years.
2. After about 10 or 12 years, one of the technical directors suddenly left the company. The Chairman had an attack of nerves. He brought in a professional man to head the company. He was given complete freedom. In about two years, the company developed to twice its size in terms of sales and production and also developed new products which enabled it to enter fields which were hitherto barred. The new entrance, however, left in about three years. And the industry was later run by a son and near relatives of the Chief.

Some Issues :

1. Is this an isolated case in Indian industry ?
2. Why did the Technical Director leave though he had helped in founding the company ? Why did he leave the company after 10 or 12 years and not sooner after formation ?
3. Why was an outside man brought in ? Why did he leave in three years when substantial progress was recorded ?
4. Why is the company now being run by members of the family ? Why was that not done earlier before the former Technical Director left or after he left ? Could this be accidental or is it significant ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 4

PROMOTIONS AND DESIGNATIONS

1. A large industrial concern had to substitute a retiring a General Manager. After considerable deliberation, it was decided to take an inside man. For this purpose, all senior most people were considered and it was agreed to appoint a particular personal as General Manager.
2. After about two years, one of the senior men raised the issue of his designation in relation to the promoted man. Discussion ensured. The promoted man naturally did not like it, but had no alternative as he felt the management wan ed to satisfy the other man. Finally, it was agreed to upgrade the designation of the other man and suitably qualify that of the promoted man.

Some Issues :

1. Could this have affected the loyalty or sincerity of the promoted man ?
2. How is it that the claim of the other person was not considered enough at the time of selection and considered so good as to revise the change made after two years? Could it be that :
   (a) the original selection was fault ? If so, why not displace the promoted man ?
   (b) at the stage of re-opening the issue, the relative importance of their functions changed at the then prevailing phase of development of the concern. If not, why was it reopened and change made against the will of the promoted man and displacing him ? If yes, does it mean that the decisions were affected more by utility than the principle, and would that pay dividends in the long run ?
3. Why did the promoted man not resign ? Could it be that he did not mind the change, or he could not risk a change ?
4. Is this situation representative even in a small way of the Indian industrial climate ?
5. Can it help the pace of the country's growth or retard it ? Does it help an individual firms growth or retard it ?

CASE 5

LEARNING FROM EXPERIENCE

A gentleman stayed in Germany for a period of 5 years. He was a well to do man and brought up in a family having a good reputation and a factory in India. He had an idea to start his own enterprise, a modern industry and establish a reputation for himself in India. He was aware of the opportunities available in the country and he had thorough technical knowledge about the modern industry which he wanted to establish.

He worked with his father for sometime in an industry, which was well established. After 3 years, he separated and established a factory. He had good contacts and so he was able to overcome his difficulties within a short period and the enterprise was running profitably.

He had the technical know-how about his product but he had no experience in managing finance, sales, etc. The Company grew to such an extent that he was unable to manage the other affairs of the Company. He was trying to manage himself all matters but he failed in fulfilling the requirements of the enterprise. He was after money and tried to collect the same as commission or by indulging in malpractices or by adopting the practices not in the line with the industry. He was so involved in these risks that he could not get away. He realised this position at a later stage but tried to substantiate it by taking outside help from experts in matters

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

in which he was not efficient and confident. He managed to overcome some difficulties, but he was not very successful in his efforts. Within 6 years, the enterprise got into the doldrums and he was forced to close down his business.

He realised his real mistake and within two years he again established another enterprise and managed the affairs in such a way that he would not encounter the same troubles which he had experienced earlier. The enterprise is now making profits and he himself is satisfied with the operation. The progress of the enterprise was slower in the beginning but with his best experience and clear ideas of management, he has succeeded in establishing his enterprise on modern lines.

Some Issues :

1. Why did he succeed in the first phase (para 2), and then fail in the second phase (para 3) ?
2. What could be the difference between the second phase (para 3) and the third phase (para 4) to account for failure in the former and success in the latter phase ?
3. What could have been done any of the following to obviate the mishaps in the second phase:
   (i) Himself ?
   (ii) His father ?
   (iii) Friends ?
   (iv) Staff
   (v) Outside Experts ?

CASE 6

TOO BIG FOR ONE MAN

One of my friends who was working in a reputed organisation planned to have his own factory with an ambition to become an industrialist.

He contacted one of his friends who was already holding an industrial licence for manufacturing hydraulic units for machine tools, of which he too had sound technical knowledge and experience. After getting the consent of his father, he resigned from his post and joined his friend to start the factory.

Initially, he collected funds from his father and his friend to get on lease one shed from the industrial estate and to procure the machine and equipment required to start the factory with the designs and details available with him.

He went on doing well in the industrial undertaking and at the initial stage as the unit was on a small scale basis, he was able to manage finances, purchases, prods and sale. Being experienced in the field, he went on taking calculated risks and was seeking the help of his father and friends for the progress of organisation.

Progressively, he went on expanding his organisation and having had substantial earnings he could manage to hire specialised knowledge in the field of various fields like accounts, personnel management, procurement of raw materials, marketing, etc. However, with the growth of organisation and with the increased burden of overheads and the coming-up of more such manufacturing units, he was finding difficulty in marketing, his products at competitive prices. This resulted in heavy accumulation of various goods and he started criticising the staff for the inefficient working of the organisation. This further reflected on the working efficiency of the staff and the organisation reached the stage of imbalance between production and sales and was finding it difficult to maintain his financial budgets.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

At last, it resulted in such a financial setback that he had to approach financers to get more finance to run the organisation. But the financers were demanding higher rates of interest which was not possible for him to pay on account of the serve competition in the market and due to an increase in the cost of production. Hence, he decided in consultation with his father and friend to close down his business and sold out the factory for about 60% of the total investment. This resulted in a substantial loss of the life-earning of his father and friend and practically ruined both the families which in turn resulted in strained relations between the two families.

Some Issues :

1. How common is this situation in India ?
2. Did he get specialised people ? If so, what went wrong ?
3. What is missing here - knowledge, men, money ?
4. What is missing ? Why the failure ?
5. What could have been done ?
6. What could have been done to prevent the catastrophy by
   (i) Himself ?
   (ii) His father ?
   (iii) His creditors ?
   (iv) His staff ?
   (v) His friends ?

CASE 7

REMEDY FOR LOW TURNOVER

Mr. Dravid was appointed as a Factory Manager in a medium automobile spare parts manufacturing concern. He had previously worked in a number of concerns and was a man of very progressive ideas.

After taking over charge, he made a general survey of the organisation and could at once make out that the whole set up was in a muddle and the concern was having a turnover which was far too low in proportion to the invested capital. He approached the Management with a series of proposals for complete reorganisation of the whole set-up. The proposals necessitated an initial investment of money, but with promises of future dividends. The Management thought that it was worth the gamble and told Mr. Dravid to go ahead.

Mr. Dravid then called a meeting of the senior staff of the concern and the representatives of the workers. He explained to them the uncommercial and outdated system of their present work. He also told them that the main object of the joining the concern was to run it in a most efficient manner so that the Management and the employees would get maximum benefit of their Joint efforts.

He then started introducing some changes in the organisation with a view to improving the existing working conditions. In the beginning there were resentments and dissatisfactions, but after a few days, things were again running smoothly as a result of the remarkable improvement.

Mr. Dravid's next step was to order out some modern automatic equipment and machines. As soon as the new machines arrived in the Plant there was a general unrest among the workers. They feared that there would be a general retrenchment as a result of the high productive automatic machines. Few was multiplied by rumours ultimately restating in a sit-down strike and some of the bad elements went to the extent of damaging the equipment .

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Mr. Dravid was not prepared for such a violent reaction but with cool mind, he immediately called the representatives of the workers and assured them that there would not be any retrenchment at all. After having his assure the workers resumed their work.

Mr. Dravid then in consultation with the Management and the trade union leaders introduced an incline scheme whereby the workers could earn more money if their production was more than the specified targets.

In the beginning the workers still worked with a sense of fear as they suspected some trap in the newly-introduced scheme but slowly they realised their own folly and started increasing their production.

After a year, the production figures reached a fantastic limit and Mr. Dravid was then proud enough to call a meeting of the staff and the workers and explained to them how the overall picture of their concern had changed and how the Management had benefited and how all the workers were happy.

The Management and the employees had earned the reward of the modern way of working in the life and there was the feeling that the concern belonged to the workers and the workers belonged to the concern.

For the last couple of years, the Company is making a good profit and the employees are getting good wages. There are other facilities such as the profit sharing bonuses, free medical treatment, subsidised housing facilities, free schooling for children, etc.

In short, the Management and the workers have accepted Mr. Dravid's way of working in the Company and it is a matter of Great pride and a sense of deep satisfaction to Mr. Dravid that the goal for which he had striven was accepted by one and all.

Some Issues :

1. What has contributed significantly to Mr. Dravid's success :
   - (a) Clarity of his goals ?
   - (b) Clarity of his means ?
   - (c) Back down of the overall goal into phase or steps ?
   - (d) His taking people under his into confidence ?
   - (e) Appeal to sell-respect of employees ?
   - (f) Explaining consequences, good and bad of success or failure for each employee and group of employees ?
   - (g) Modernization of equipment and plant ?
2. What enabled Mr. Dravid to win over workers and union :
   - (a) Sincerity towards them ?
   - (b) Loyalty towards the company ?
   - (c) Skill in handling the situation ?
   - (d) Understanding their view point ?
3. How far was the fear of workers regarding :
   - (a) automation
   - (b) incentive scheme:
     - (i) justified ?
     - (ii) understandable ?
4. Would brushing aside the fear of workers as unjustified have brought results ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

5. Is Mr. Dravid's success due to :
   (i) Management know how ?
   (ii) Technical know how ?
   (iii) Labour know-how ?
   (iv) Result Mindedness ?
6. How far is Top Management Result minded ? In how many ways could they have hindered progress ?

CASE 8

EXPAND OR SUFFER

A big industrial company has been making refrigeration equipment for the past seven years. The compressors for the equipment were being imported as they were not licensed to make them nor were there any other parties making them in India. Due to general stringency of foreign exchange, they were not getting adequate foreign exchange for compressors and their production was therefore limited.

The company developed a local supply source for the compressors. Now it had a desire to expand its production of the existing ranges of equipments. It has also received a proposal from a foreign Corporation for financial collaboration for setting up a big plant for making diversified ranges of refrigeration equipment. The company has almost reached the final stages of negotiations with the foreign Corporation for financial collaboration, but it has not approached the government to find out if such a proposal would meet with their approval. Its misgivings were viz.

(a) government may not readily agree as they have already licensed a number of firms for manufacture, and

(b) they have to find a huge finance for the project.

In case it goes in for a horizontal expansion of production on its own for the existing ranges of equipment, the advantage is that this can be done with a small capital expenditure which can be managed. But it has to depend on the locally made compressors. The reputation of its equipment will depend on the performance of the brought out compressors. It is also afraid that it relay face a stay competition in the next 3/4 years, when some of its present competitors expand their production.

On the other hand, if it enters into collaboration with the foreign Corporation it with first of all call for a huge financial investment and secondly it was spectical of government approval, unless. It makes out a really convincing case of the economics of production, saving of foreign exchange in the years to come, etc.

But the advantages of this proposal are :

(i) diversified production is possible,

(ii) it can enter the refrigeration field in a big way and face competition,

(iii) technical know-how evils be freely available,

(iv) foreign Corporation's experience will be available in establishing an ideal distribution set- up.

It has not yet decided between the two alternative proposals.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Some Issues :

1. Is the company realistic in their approach ? Could the company not have found out more about :
   (a) Government policy or their inclination ?
   (b) Possibilities of getting finance ?
2. After knowing the results of these, would the decision not be much simpler ?
3. (i) If they have to rely upon locally made compressors, is it difficult to get someone to develop it on a quality basis, even at a slightly higher cost ?
   (ii) Could they not develop some supplier with help of steady flow of orders ?
4. (i) Is the fear of stiff competition in the next 3/4 years realistic ?
   (ii) If so, would it depend upon whether one or another alternative is taken ? Or whether alternatives available are worked out well ?
5. Is it possible to quantify or judge realistically the various factors in terms of
   (a) Capital cost
   (b) Recurring cost,
   (c) Judgement factors, for and against and come to a more realistic decision.
6. How often do we find long continuation of such avoidable dilemmas ?

CASE 9

RELATIVE ON THE JOB

A person related to a Senior Executive of a company joined as a wound graduate engineer from Mumbai University 16 years ago. After working in the company for a year, he was sent to America for specialized training for a period a little over $2\frac{1}{2}$ years in two leading American companies. The two companies were completely satisfied with his work and the trainee was receiving regular stipend from the American companies throughout the long period of stay in America. After his return, he was appointed as in-charge of a manufacturing, department. The components manufactured in this department were of very intricate and precise nature, and this type of manufacture was probably being done for the first time in India. The work involved was of a pioneering nature with a lot of trials and experiments to be conducted to achieve satisfactory results.

Unfortunately, there were a lot of complaints on this product from the field, and as such, his name was being smeared, although the items manufactured were being processed in many departments and the quality also depended upon their satisfactorily processing the same. However, remarks that he is a relative what can happen to him - were common.

After a period of a few years, he was again deputed to America for specialized training in indigenous manufacture of other components for a period of seven months. After his return he was deputed in the factory to develop the manufacture of new components to increase indigenous content. The development of the components was successfully completed, but there was a short fall in achieving the production targets due to variety of reasons, such as lack of labour productivity, lack of skilled labour, breakdown of equipment, inadequate supply of raw materials in processing stage, production of components in short batches and labour relations. After some time he was transferred the office.

His problem is now to be recognized for what he is worth. He is an average person and claims the same rights as other colleagues.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The senior executive to whom he is related has never done any special favours, yet people are there to speak in such a manner as to belittle him.

After some time the powers hare changed from one senior executive to another, and with this, he had hopes of a proper recognition – unfulfilled so far.

Some Issues :

1. Is the attitude of the staff towards relative engineer so unexpected or unnatural ?
2. Is this situation very unusual in India ?
3. Who is more responsible for the developments :
   - (a) Company
   - (b) Father who is a senior executive
   - (c) Son who joined the company and feels unhappy
   - (d) Other staff who cast as persons ?
4. Could the company or the father (who is a senior executive) have obviated, now improve the situation by :
   - (a) Making objective rules for selection,
   - (b) Making objective rules for sending abroad,
   - (c) Making objective rules for promoting to in-charge of a department,
   - (d) Subjecting the son to the same rules,
   - (e) Ensuring that it is realized that the rules are being really observed in all cases, including the son.
5. If the son is serious and willing to face the situation, could he improve the position by :
   - (a) Persuading his father on lines as stated in 3 above,
   - (b) Better relationship with staff.
   - (c) Heart-to-heart talk both the new executive ?
6. How far the father or the son seem to have explored these possibilities ?
7. In the absence of above moves, or if the situation does not improve, would it not have been feasible or be feasible now for the son to serve elsewhere where there may not be question of this kind of feeling or bias ?

CASE 10

FROM CLERK TO PARTNER

In early 1930, R left his small native town for Mumbai, in search of a job. He was just an 18 years old led with very little educational background, when he landed in Mumbai for the first time. However, R was full of courage and initiative and was shrewd too.

After a few months of unemployment, he was employed for doing odd jobs in a partnership firm doing business in automobile spare parts. In the course of 4 or 5 years, he became quite conversant with most of the work relating to accounts, sales and routine banking.

R's ability to grasp business intricacies of selling spares and his honesty and loyalty to the employers were recognised and he was made a sales clerk.

However, R was not content to be made as a sales clerk of the firm. He had an ambition to start his own business in the same line, but was deeply conscious of financial, educational and social limitations. He wished to educate himself and also wished to have contacts with people socially better placed. He persuaded his employers to permit him to leave his work early by two hours every day to attend the evening school. He finished his matriculation examination and also obtained a commerce diploma from a well known commercial institute of Mumbai.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

In the course of his work as a sales clerk he had to involve in trading circles a lot and was able to contact lot of people and even owners of many firms, collecting all sorts of information and titbits of the trade. This enabled him to advise his employers as to what items they should stock and those they should not with the result that when the Second World war broke out R's firm had considerable stock of various items which were scarce in the market, resulting in very high profits to R's employers.

R's employers were good masters and they appreciated R's shrewd judgement of the market. They offered to make him their Chief Manager. R was not inclined to accept the offer and he expressed his desire to quit the firm as he wished to start his own business with the financial help of a friend. The employers of R thought over the matter and they were not willing to let R go as he had proved an asset to their firm by his honesty, sincerity and his astute judgement in business, which had proved beneficial to the firm on many occasions. Ultimately, R was persuaded to continue for some time as the firm's Chief Manager, as they were preparing for a big business deal of acquiring a sole selling agency for Western India of a well-known automobile product which seas now manufactured in the country and the import of same was to be stopped by the Government. There were other 2 or 3 parties who were also trying to obtain the sole selling agency of the same product.

R was invited along with the senior partner of his employer firm to negotiate with the manufacturer and ultimately the deal was finalised in favour of R's employer firm.

As a recognition of R's business acumen his employers invited him to join the firm as partner on equal terms which he gratefully accepted.

Even to-day the firm has very high reputation in that particular trade circle and the firm is doing very resell.

Some Issues :

1. (i) How common is the case of R's initial troubles in India ?
   (ii) And how often again people come up as R has done ?
2. What is R's success due to ?
   (a) basic desire to progress,
   (b) going step by step in the direction of progress.
   (c) keeping a clear goal in view at each phase.
   (d) thinking realistically in terms of helpful assets, as well as overcoming hurdles,
   (e) his going for studies even while working,
   (f) his ability to make lots of contacts
   (g) his native intelligence and judgement ?
3. To whom does the credit for R's success and success of the employer firm belong :
   (a) R himself ?
   (b) R's employers ?
4. What would have happened if R's employers had not been so nice and appreciative of R ? Would he have progressed ? How ?
5. What would have happened if the person like R had not been available to the employers ? Would they have progressed ? Why ?
6. What is the role of chance, acumen and efforts in the case of the success of R and the employers respectively ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 11

A SPACE CASE

Nariman Limited is a public limited company engaged in the manufacture and distribution of various types of industrial and consumer products. Sale of industrial products is backed by extensive service facilities. The nature of the company's business requires a great deal of space for warehousing. The company's own premises provided space of about 1,60,000 sq. ft.; in addition it hired godowns providing a storage area of about 80,000 sq. ft

Experience of maintenance of hired godowns located in different parts of the city had shown that there were certain unproductive areas of operation, such as transport and communication, and staff facilities. There were also some non-cost factors such as an overall fall in efficiency due to delays in operation, from different locations. When the company's manufacturing activities were moved to a suburb, it was expected that an area of about 80,000 sq.ft. could be available for storage and other purposes. The growing volume of business, however, pointed towards the need for additional space for storage and servicing. The Space Budget showed that over the next three years additional space, equivalent to about 60,000 sq. ft. would be needed.

It was proposed to use the space made available by the shift in the company's manufacturing activities, to erect a new warehouse with a basement, ground floor, and upper floors which would provide a net additional spase of 60,000 sq. ft., with the possibility of adding floors later. The alternative was to continue to use hired godowns. Detailed estimates of the cost over the next 15 years of each proposal were compiled. The year-wise details of cost are shown in Appendix. Alternative A was to hire godowns while Alternative B was for the company to build a warehouse on its own land.

The cost of Alternative A was made up of rent-electricity, maintenance, transport and communication. Rest was estimated on the basis of the trend and the value of urban property. Expenses were estimated in keeping with the general economic trend.

The cost under Alternative B, the annual revenue expenditure in respect of warehouses consisted of :

1. Depreciation charges and 2. Other expenses involving cash outflow. These items covered the property tax, building maintenance, electricity, water, insurance, security, and interest. While taking into account the effect of cash flow, consideration was given to tax liability which would be lower in the alternative with higher revenue expenditure.

Analysis of recurring revenue expenditure reveals that Alternative B breaks even with Alternative A in the seventh year and thereafter continues to be economical for the rest of the period of analysis.

Taking the restricted view of net cash flow it is found that the outlay (1.9 million) on the construction of the new building would be recovered within 13 years.

The interest charge in Alternative B has been taken at the marginal rate of interest on borrowed capital, on the assumption that the project would be financed out of unutilized cash credit from the bank.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Management was faced with a choice between the two alternatives.

COMPARATIVE STATEMENT OF COST UNDER ALTERNATIVE A AND ALTERNATIVE B

	Alternative A: Hired godown			Alternative B: New building			Cost differential in terms of annual revenue expenditure		Effect of cash flow		Tax adjustment in cash flow		Net effect on cash flow	
Year	Rent	Other expenses	Total	Depreciation	Other expenses	Total	A	B	A	B	A	B	A	B
1966-67	315	20	335	100	376	476		142		41	92			51
1967-68	315	20	335	95	376	471		136		41	98			47
1968-69	470	25	495	90	378	468	27	(277)	117			18		99
1969-70	470	25	495	86	380	466	29		115			19		96
1970-71	470	30	495	80	382	62	33		113			21		92
1971-72	605	30	635	77	384	61	174	(263)	251			113		138
1972-73	605	30	635	74	386	160	175		249			114		135
1973-74	605	35	635	70	389	459	176		26			114		132
1974-75	907	35	942	66	392	458	434		550			315		235
1975-76	907	35	942	63	395	458	434		547			315		232
1976-77	907	35	942	60	398	458	434		544			315		229
1977-78	1000	40	1040	57	402	459	581		638			378		260
1978-79	1000	40	1040	54	403	462	578		632			376	(2002)	256
1979-80	1000	40	1040	51	413	464	576		627			374		253
1980-81	1000	40	1040	49	418	467	573		622			372		250
1981-82	1000	40	1040	47	424	471	569		616			370		216

CASE 12

ORGANISING OFFICE STAFF

A large number of discrepancies in the stores were reported by the internal Audit Department while going through the perpetual inventory. For nearly 15 years there were no physical counts taken of the stores and the discrepancies were increasing.

It is a big store having an inventory of 50,000 items valued at about Rs. 75 lakhs. It was therefore decided by the Management to take a physical inventory of the stores concerned to the matter. The decision to this effect was conveyed to the Departmental Manager, quite in time. Since the physical inventory was not taken for the last 15 years, there was hardly any senior experienced person in the department who had the experience and knowledge of such a job. The job, for all practical purposes was quite new and it had to be organised without any previous background or set procedure. The job was entrusted to a Deputy of the Department who was asked to consult the Chief, if he found it necessary. The Deputy drew up a final plan for this operations after consulting his Junior Officers, who were to be in charge of groups for doing this job. The total complement that was to work for this job numbered about 200 men comprising Junior Officers, Clerks, and Workmen, both from office and stock room. The modus operandi was shown to the Chief, who made some chances and it was finalised for putting into operation.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The job for the office people was quite different from what they had been doing in the office. It required a little manual work also and the job was never done by them before. The Deputy drew up a detailed procedure for this operation and it was widely circulated among all the staff members. It also told them why the physical inventory was being taken. Constructive suggestions and genuine objections were invited from the staff members for putting the operation, through, without any hitch.

Few staff members expressed their unwillingness to work in the stock room. One or two senior members of the staff said they would not like to work as group members and would be willing to work as group leaders. After some adjustments the plan was accepted.

Before the day the actual operations were to start, a meeting of all the members comprising 200 members was called. The Chief addressed the meeting, seeking co-operation and expressed trust that they would complete this job within a specified time.

Though the plan was accepted, there was not much enthusiasm seen in the staff to complete the job as early as possible. The Office staff, who normally attended office at 9.30 a.m. were to start their work at 8.30 a.m. along with the warehouse staff. A few of them always came at 9.30 a.m. as usual. Some people in the group slowed down the work for one reason or another. They would not come and report for any such stoppages. It became necessary to take rounds in the warehouse to find out whether the work was going on properly or there was an genuine trouble, etc. In the beginnings they complained of bad lights, the next time about ventilation. Since the staff worked overtime they were to be provided with refreshments at certain intervals. They would stop the work at a fixed time and would not restart the work, till refreshments were served. If refreshment came in time, well and good; otherwise they used to sit down waiting for refreshments doing nothing. It was possible for them to continue working and break only when actually the canteen man came to serve the refreshments. But, they did not agree with a great deal of constant supervision and help of some conscientious workers, it was possible to complete the work in time. But, it was too much of a strain on the people concerned to complete the work in time.

Apparently, there was no reason for them to have such an attitude, since they were paid overtime for extra work. On tip whole. the wage standard of the staff was fairly satisfactory and also they were treated well by the Departmental Head. The general impression was that they were obliging the Departmental Head for doing this job and that it seas not their concern at all.

Some Issues :

1. How common or uncommon in such non-co-operation ?
2. The case mentions that there was no reason for them to have such an attitude since they were paid overtime allowance for extra work. Could this approach itself be a factor contributing to such non-co-operation ?
3. Is it significant that while the staff is not co-operating for no obvious reasons, no action seems to be taken except the wishful belief that it should not be so ?
4. What is the significance of no physical stock being taken for fifteen years ?
5. What is the significance of :
   (a) Management conveying decision to take inventories to Department Head;
   (b) DH making the plan had circulating it and *then* inviting suggestions;
   (c) Unwillingness of some staff and final "acceptance" (Was it genuine acceptance ?)
6. What has gone wrong ? What could affect the results ?
   (a) More leniency;
   (b) Disciplinary action;
   (c) Building better climate;
   (d) Better handling by the Departmental Head ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 13

THE MECHANICS OF SUCCESS

Due to the crash programme of manufacturing components, because of the shortage of foreign exchange and low priority given to the industry, all departments had to gear themselves to perform their portion of the work expeditiously to fulfil the target dates set by the Import Substitution Committee.

The tool design section of the company for designs tooling to the fabricated, and for successful implementation of the programme, it was necessary to secure the active participation of staff, so that the company's goal would also become the staff's goal.

The urgency of the programme was discussed with the Deputy and Assistant Superintendents whose active participation was sought, and they in turn impressed upon the Asst. Engineers, the Jr. Designers and the Draughtsman to see that the target was achieved, as far as the designing was concerned.

There was a proper feed-back of the progress and close security was maintained. Where certain sections were lagging slightly the staff was adjusted to make up for the lag, and the concern was there to establish a good name for the department.

Even the clerical staff was motivated by revision of grades and the whole project was taken up in a spirit of challenge to complete the task as per schedule.

The departments concerned with other work like taking out prints, estimating and issuing job orders were also followed up with vigour, though the printing machines used to break down frequently and upset the apple cart. Permission was also obtained for issue of job orders against job requests the expedite the release of job orders for fabrication.

In the final outcome it was found that the job orders for the designs were released on the target dates for 80% of the items and the balance job orders with in a week afterwards, thus illustrating the acceptance of the goal by the department and their active participation.

Some Issues :

1. Which people are taken into confidence :
   (a) Top level only ;
   (b) Middle level only ;
   (c) Clerical only ?
2. Is more emphasis being put on:
   (a) Discussion and talk ;
   (b) System ;
   (c) Co-ordination ;
   (d) Technical work ?
3. Could the success be due to :
   (a) Breakup of the task into smaller parts for different departments/sections and staff ;
   (b) Putting up targets acceptable to them ;
   (c) Creating a spirit of high expectation without fear of loss of face for non fulfillment ?
4. Could the system developed here for specific lack of new designs and import substitution be applicable to other technical development or general needs ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 14

FAILURE OF PLANNING

A certain State Government, whose purchased lands mainly desert areas, needed irrigation facilities decided to go in on a large scale, for deep well turbine pumps driven by diesel engine. Thermal power was expensive, as coal had to be hauled in from coal fields 800 miles away and as livers were not abounding underground seater had to be tapped.

A composite research and manufacturing programme for diesel engines was envisaged. One part of the programme consisted of seeing up an industrial estate with local entrepreneurship to manufacture the engines and the other part of the programme consisted of selecting three internal combustion engineers for advanced training abroad who on their return would form a core of technical talent to help the industrial estate and also to run a post-graduate department in internal combustion engines at the State University to generate new talent and work on industrial research problems submitted by the industrial estate.

The Government's commitment to this programme was deep as it was part of the election manifesto and was continuously reaffirmed on the floor of the Legislative Assembly by various ministers.

The selection of engineers was delayed by three to four years eventhough the right type of talent was available easily. Of the men selected each had research papers to his credit in the vast field of internal combustion engines and all of them were already involved with industrial research problems.

The men who went abroad did not have a good selection of University made for them and what projects each would apply himself to was not decided for them. Thus the impact of their training programme was diminished. If reputed universities with a long background of research work in their fields were selected and if the fields were divided such as design and development, combustion theory and problems and fuels technology, the impact of the programme would have been terrific on these men.

It seemed very strange that no project report on evaluation of their programme was asked for by the Government. After completing their so, called training, each man studying what he liked best. All returned to India only to find that no advance action had been taken to set up 'an industrial estate or create a motivated class of entrepreneurship to manufacture engines nor any post-graduate course' at the university was started to disseminate information in this field.

However after prodding by these men, three years later some action to set up the above was taken but as large oil deposits were struck and natural gas was available cheaply, the question of setting up large thermal stations to generate electricity from natural gas became predominant with cheap electricity available all turbine pumps could be run on electric motors and hence the diesel engine programme was totally shelved.

Some Issues :

1. Did the State Government envisage the total programme comprehensively in terms of :
   (a) Financial results,
   (b) Planning for know-how,
   (c) Practical use by industry,
   (d) All in terms of time ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. What is the significance of the following factors :
   (a) Statement that Government's commitment to this Programme was deep, as it was part of the election manifesto and was continuously reaffirmed on the floor of the Legislative Assembly, in relation to the outcome ?
   (b) The selection of engineers was delayed for three to four years eventhough the right type of talent was available ?
   (c) Good selection of a university was not made for engineers going abroad ?
   (d) There were no projects allocated between the engineers ?
   (e) No project report on evaluation of their programme was asked for by the Government ?
   (f) No action was taken to set up an industrial estate or create a motivated class of entrepreneurship to manufacture engineers for any post graduate course at the university ?
3. In all there appeared to be a time lag of seven to ten years between decision for the project and its final result including selection of engineers, their training and subsequent action from the engineers after their return. Is it no wonder, if the technology changes, making the basic programme obsolete technology or techno-economically ?
4. How far does this represent the Indian industrial climate, Government or public bodies ?
5. Could this situation have been improved upon by a person at the ministerial or secretarial level who was keen to make the best of it inspite of the Government regulations ? That could be have done ?
6. Could this have been improved upon by the entrepreneurs who are normally supposed to be enterprising by taking a lead and "selling ideas" to the Government to make the best use of this, apart from reaffirmation on the floor of the legislature "? What could have been done ?

CASE 15

FROM MANAGER TO ADVISER

"Mr. Sadik graduated from the Engineering College in 1956 as a Mechanical Engineer. Starting his career in a specific industry he was appointed as an assistant engineer in the maintenance department of a certain company. In seeking more experience and knowledge in this field, he had further training in Europe, Russia and U.K."

"Because of his personal capacities (high technical knowledge in this field) he was appointed as a Production Manager, a Technical Manager, and acting Director General in different companies."

"Getting along with subordinates was his real problem that was not foreseen by top management."

"As a direct consequence to his unforeseen failure, he was appointed as a Technical (Adviser staff function) to the President of a State Organization."

Some Issues :

1. What is the basis of Mr. Sadik's appointment:
   (i) Qualifications : - (a) technical, (b) managerial.
   (ii) Capacity to - (a) manage: (b) get results.
   (iii) Sense of security that —
      (a) he is qualified in Europe. Russia and U. K. so he must be good; and
      (b) if results are poor, we have done the best on our part.
2. Why is he promoted time and again :
   (i) Qualifications : - (a) technical, (b) managerial.
   (ii) Capacity to - (a) manage: (b) get results.
   (iii) Sense of security that —
      (a) he is qualified in Europe, Russia and U. K. so he must be good; and
      (b) if results are poor, we have done the best on our part.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. Nothing is done about his problem of getting along with people; this may be because
   (i) the bosses do not know what to do.
   (ii) Mr. Sadik's response is poor.
4. His last appointment as a Technical Adviser (staff function) to the President of a State Organization may be:
   (i) to use his knowledge to best advantage over wider arrear
   (ii) getting him out of harm's way, without taking responsibility to sack him.
5. How often and to what extent are management failures due to faulty identification of attributes essential to manage results ?

CASE 16

THE COMPUTER PROBLEM

The Titan Engineering and Distribution Company Limited is one of the largest distribution organizations in India. It markets over 700 engineering and consumer products. It has branches all over the country and depots in small towns, with tine head office in Madras.

Of Titan's 6000 employees about 400 are managerial personnel. The others are junior engineers, technical assistants, clerks, stenographers and other such personnel. Except for the junior engineers all the other non-managerial staff could become members of the local unions which were affiliated with the All India Titan employees Federation. The Federation unlike most labour organizations in the country was non-political. Both management and union are quick to point this fact out. Relations between the union and management were good, according to both parties, and there had never been a strike, although in its 15-years history the Federation had twice threatened to have one. The issues involved had been amicably settled. No one on either side denied the Federation's strength and its ability to bring work to complete halt should there be a trial of strength between management and union.

In 1962, Titan's management showed the increasing importance it gave personnel management by appointing a Personnel Director of the Board of Executive Directors, giving him equality in rank and status with the Marketing, Engineering and Finance Directors. The new director, Mr.Vicks, recognised the personnel policies, procedures and practices of the company. He introduced a grievance - settlement procedure, and an industrial relations committee where union and management were equally represented and settled problems across the table. In 1963, a new Personnel Director was appointed, the old one becoming Finance Director. The new Personnel Director, Mr. Ghosh continued the policies that Mr. Vicks had initiated.

From 1963 to 1965 the turnover of the company increased from Rs. 35 crores 91 lakhs, to Rs. 42 crores 15 lakhs. The number of employees increased from 4768 to 6091 in 1966, especially as a result of Titan's expanding its manufacture activities. There were 1500 employees engaged solely manufacture of whom 52 were managerial personnel and 20 were junior engineers.

In May 1967, the management of Titan Engineering and Distribution Company Limited called in the representatives of the Employee's Federation and informed then that the company planned to use a computer because of the growing complexity of its business. Management wanted to 'take the Federation into its confidence' on this issue.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Soon after the meeting, the Federation wrote to the company to say that no unilateral action ought to be taken in the matter and that the Federation must be kept informed before final decision was made.

On 24 May, the Federation held its annual conference at Madras which was attended by delegates from all over India. The main subject discussed at the conference was Automation. The management of Titan asked to meet the Delegates to the conference, and termed it on orientation session. The meeting was held on 26 May at the Madras branch office.

The Marketing Director and the Finance Manager, both members of top management, represented management, alongwith their senior managers from Personnel who were involved with industrial relations. Before the conference began, the representatives of management and Federation both visited the branch office punch-card section which had been in existence for five years and was used to control stocks and inventory. Then they all met for tea at which the Managing Director and the Personnel Director joined them. They talked very informally with the Federation delegates but no mention was made of the computer. The Managing Director and the Personnel Director left after tea.

The conference started with the Marketing Director, the Finance Manager and a representative from IBM. Mr. Narayan, facting the rest who fornel the audience. Mr. Narayan said he would first like to show a film on how computers had helped to increase productivity in various industries in developing countries like Thailand, Mexico and Formosa. The film was art colour and lasted 40 minutes.

Mr. Narayan then spoke for 30 minutes. He said : 'Due to the complexity of business, conflicts between functional areas and in order to eliminate those conflicts the problem has to be studied from the point of view of the whole organization. Hence the decision has to be made in such a way that it strikes a balance between the various functional areas. Such a decision it requires information. Though the computer cannot make decisions aids decision-making by giving timely and reliable information Mr. Narayan gave examples from Titan of how computers could help to solve problems in inventory control, Transportation, market research, outstandings, product-mix linear programming and PERT.

The talk was followed by a discussion. In the beginning, the discussion was mainly between the Federation President, Mr. Pinto, and the General Secretary, Mr. Ramamurthy, on one side, and Mr. Narayan of IBM on the other. Mr. Pinto and Mr. Ramamurthy wanted to know more about the efficiency of the computer compared with the punch-card machine and other tabulating machines. They asked questions about the price of the machines, the types manufactured in India, the number sold and to whom, the cost of renting time, and the actual savings made from using the computer.

Mr. Smith, the Marketing Director, intervened to say that he felt that computers were essential to the company's operations. He said, 'Since the company deals with a large number of products the information required is exhaustive. When the job is done manually it becomes rather difficult to pick up information regarding a particular product. This results in inadequate and untimely information which ultimately affect the marketing strategy. However, with the help of a computer, information can be obtained when and as wanted which helps in more accurate decision-making.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

The Federation expressed the desire to discuss the matter more privately, and Mr. Narayan left. Mr. Pinto and Mr. Ramamurthy then turned their chairs to be more or less in line with the Marketing Director and the Finance Manager, thus facing the rest of the group. Mr. Pinto said that the Federation had been deliberating on the problem of automation at its annual conference and its view sees that automation 'does away with men, creating unemployment, which is a very serious problem in India today'. He said one must think terms of the national interest and asked management not to think only of the interests of the Titan Engineering and Distribution Company Limited. He gave examples of other companies in India where he said, automation, had created problems, and cited the United States of America and Europe where, he said, automation had created unemployment problems.

The Marketing Director said : 'Although automation does create some problems it will be a mistake on our part if we do not take advantage of all the technological progress that has been made. This is the first step towards improving management. Furthermore, this company has a damn good record for employing more people. From the national point of view it is very important that such an organization grow.'

Mr. Pinto replied 'You can't grow alone. Management cannot do it alone by increasing the managerial staff. We have a point on this with management. We have offered our hand of co-operation. We are willing to increase productivity, or efficiency manually'.

On 5th June, the Federation stated that management 'bad started sending data to computers hired time.' It also said that management 'was adding operations to be present punch card section at the Madras branch office.' The Federation wrote to the management pointing this out and requesting them to stop this action until the issue was finalized. The letter ended : 'In case this is not agreed to, it will not be possible for us to remain a silent spectator.'

Management called - the Federation for a new round of discussion at which the company was represented by the Management Director, the Personnel Director and their industrial relations staff. The Federation was represented by the new President and the General Secretary. According to both parties no new round was covered, but management made a forceful case for the need for computers.

The Federation wrote to management again on 1st July. It said that management had not replied to its earlier letter, nor had any heed been paid to the Federation's request. The letter ended 'As a result of all this, the situation will aggravate the problem, which should be avoided to our mutual interest.'

On 14th July, the Federation celebrated Anti-automation Day. A specially printed booklet was published which stated the case against automation. A message was included which read : 'The Federation is not opposing the means; namely, the computers.' The Federation agreed, the message continued, that the introduction of computers in spheres such as the defence service, space and higher scientific research is essential. It only opposed automation because of the present state of the country's economy and progress. At present, it said : 'The country is facing an acute problem of unemployment and any further device to aggravate the problem still be against the national interest.' 'The Federation called upon management not to introduce automation. It repeated that, the employees are prepared to strive to chair utmost to increase productivity of the concern through conventional means.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

On 25th July, there was an all-India strike by the employees of the public-owned Life Insurance Corporation of India, protesting against the use of computers by the Corporation. The Titan Employees 'Federation did not join the strike but announced that it whole-heartedly supported it.' It called upon its members to take part in the demonstrations organized by the LIC Employees' Union to express sympathy with their cause. The Federation's message to its members said : 'The struggle against automation is the struggle of the entire working class in India.'

On 15th August 1957, the general secretary of Titan's Madras branch union happened to meet the case writer. He said : 'Management wants us to consider the problem only on the basis of Titan Engineering and Distribution Company Limited, and not as a national problem. How is this possible ? I am afraid, on this particular issue, there is going to be a showdowns.

Points for Discussion :

1. Comment on the attitudes, policies and approaches of the management and the union to the problems of introducing a computer ?
2. Should management abandon introduction of a computer?

CASE 17

INTERNATIONAL COMPANY HEAD OFFICE - BRANCHES

The Managing Director of an International Company, having branches all over India, selected an Accountant of its Mumbai Branch to be groomed for a Branch Manager's position. Accordingly, in February 1963, the necessary training programme was chalked out and the Accountant was put through it. It was also decided that on the home leave of the Mumbai Branch for six months in December 1965, the Accountant should take over the charge of the Mumbai Branch to enable the management to assess his abilities as such.

In January 1964, the Managing Director was transferred to Head Office in the United Kingdom and his position was filled by one of the working Directors. The vacuum created was filled by upgrading a senior Manager to the Director's position. The nephew of the new Director who was at the Head Office as Asst. Commercial Manager was transferred to Mumbai as an Accountant in July, 1965 and the Mumbai Accountant was asked to proceed to Calcutta to work as an Accountant of the Calcutta Branch.

The question of his future arrangement was raised by him with the management and the management took an adamant attitude of transferring him to the Head Office as per the order and by passed the issue.

Analyse the problem and suggest suitable steps.

CASE 18

EXPANSIONS—ECSTACIES AND AGONISE

In January 1980, Shri. Jayant Pathak decided to take a risk he decided to open a service station on the high way, outside the city. He had worked as an attendant and a station manager for the Hindustan Oil Company since his high school days and liked the business. Hindustan Oil Company had agreed to support him and help him in getting a loan from the Bharat Industrial Bank.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

When he started his business he had six service attendants and three mechanics. As the business developed he added more service attendants and started operating 24 hours per day. As his staff grew, Shri Pathak felt the need to develop some type of organisation structure. He decided to set up two departments. (one) Inside service department managed by chief mechanic and (two) the outside service department managed by four supervisors one for each shift. By 1981, the business had grown tremendously and Shri. Pathak decided to open a family restaurant next to the station. There seemed to be a good demand and the closest restaurant was about 10 kms. away. When the restaurant was opened, he appointed a head cook to manage the kitchen, 2 waiters to manage the customer services.

Before long Shri. Pathak felt the need to reorganise. He now had eight people reporting to him and he was having difficulty in co-ordinating all of their activities. He was working 60-70 hours per week and often felt that he was exhausting himself. He decided to set up the service station as one department and the restaurant as another department and appointed a manager over each. This seemed to help. The two managers did a good job and the profits showed it.

Because of his success, Hindustan Oil Company, asked Jayant Pathak to set up several more service-station-restaurant units within the State. He decided to try adding one new unit in the nearby town about 50 kms, away by the end of 1981 and by January !982 he opened 4 more along a 300 mile route, By August 1982 several problems had come up. Customers had complained about quality of service at several stations. Also the food quality and business had been dropping off at the restaurants.

Shri. Pathak called in his manager of service stations and his manager of restaurants to discuss the situation. They indicated that there here bickerings between service station and restaurant people. Some station attendants recommended that customer go elsewhere to eat. At times there were arguments over who should maintain rest rooms in the facilities. Both the managers indicated difficulties in handling the spread out operations. Shri. Jayant Pathak was considering adding another unit and was concerned that these problems would only increase as additional units were added. He did not know how to handle the new situation.

Guilding Questions :

1. Identify the main problem/s in the case, indicating the reasons for emergence.
2. Suggest an appropriate course of action to overcome the problem/s.

CASE 19

VILLAINS OF THE SCREEN

"It seems that the roof is going to suddenly cave in. " said Dhirajbhai.

"This is exactly what I have been thinking since morning, after perusing this month's reports." said Rohitbhai. "Let us waste no more time . This is the copy of the letter I had addressed to you, Dhirajbhai, three months ago when I had realised what menance video would be to our business. Today we must take either a policy decision or adopt a strategy to encounter this villain off the screen. " said Sunilbhai.

The three brothers then reached the meeting room where the Sales Manager, the Finance Manager, and the Legal Advisor ware waiting for them.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Parul Film Exhibitors was a partnership of the above referred three brothers established in Rajkot since 1962. It owned 42 theatres in the State of Gujarat. The theatres were mainly located in district towns spread over the State and in Ahmedabad. Their investment in this business during the last 22 years had surpassed the Rs. 5 crore mark. More than half the number of theatres were constructed during the last ten years.

Off late video parlours had sprouted in all the 30 centres where Parul Film Exhibitors bad their theatres. Apart from these parlours, the restaurants were using video films to attract customers by showing the films during lunch and dinner timing. During the last six months the demand for cinema shows had dropped down from 85% to 30%. The normal 10 week run for big movies in the major cities had petered down to four weeks. This had created manly administrative problems.

The three brothers had called the Legal, Advisor the Sales Manager and the Finance Manager because they were fully appraised of the situation. In fact each one of them had studied the situation and they were to bring their proposals to counter the problem .

The Legal advisor the meeting first. He said, the Government of India intends to reframe the Copyright Act of 1957 making any violation a cognisable offence with a possible jail sentence. Most of the video films are pirated. The users can be punished because they have illegally imparted video films in India. Recently 15 video libraries in Bombay were raided by Customs and Rs. 16 lakh worth of cassettes were seized. The second ray of hope is also based on the action being taken by the Government of Maharashtra, which is likely to have a greater impact. It has decided to issue an ordinance amending the Bombay Entertainment Act to include the mushrooming video parlours as well. So it would be better to wait at this stage than to frame any policy or adopt any strategy."

The Sales Manager spoke next. He said "The impact of the video films has not only been felt in our State but it has been felt in all States in India. Video films have affected our film exports also. In 1979-80, 199 films worth Rs. 2.32 crores were exported to U. K. In 1983-84 only 23 films worth Rs 39.45 lakh have been exported. Since it has affected the Indian film industry the Indian Motion Picture Producers' Association has copyrighted over 600 films. The Film Federation of India has prohibited its members from selling video rights of films. The video boom is felt more strongly in small towns than in metropolitan cities. Spread of television is likely to affect the film exhibition industry more than the video films. "

The Finance Manager spoke last. He said, " We cannot continue in this business for long because 80% of our capital is invested in fixed assets. To achieve quick turnover we should not exhibit films for more than three weeks in cities arid for only one week in small towns. Availability of films may pose a problem. We may ourselves convert the theatres into parlours. In U.K. some of the film exhibitors have converted the Cinema halls into supermarkets. We can convert the Cinema halls into wedding reception centres to reduce the variable expenses. Diversification is needed at this stage. We may do it slowly but it is a must. "

The meeting was interrupted by the personal secretary of Sunilbhai who handed over to him a telegram. It contained the following massage:—

"Extra-ordinary meeting scheduled tomorrow at Ahmedabad participate with your concrete suggestions " — Gujarat Film Exhibitors Association.

Guiding Points :

1. Assuming you are Sunilbai how would you solve the problem and what suggestions would you give to Gujarat Film Exhibitors Association ?
2. Can the problem be solved by diversification ? In what area ? Why ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 20

THE TRUCK DRIVER

A Public Utility Company has got a Number of Drivers and many service trucks. One of the trucks Driver having 25 years, faithful service and no blemish record in the past drove his vehicle on the wrong side of a National High Way, struck a car and killed 3 persons. He was also severely injured and was not expected to survive.

In view of the above serious condition of the driver, the company did not take any disciplinary action against him at that time. The company also paid him all the sick benefits and hospital cost as per settlement for 6 months. The expiration of 6 months period is coming an end and the driver is still in the hospital. According to the Doctors, the driver will not be able to return to his job within the reasonable future.

Problem : Please discuss in brief with reasoning :

1. What action should be taken against the driver by the management ? Whether he should be charge-sheeted and enquiry held or should be simply discharged as per service rules.
2. Whether the management was justified in not taking any action against the driver immediately after the accident.
3. Whether the driver is entitled to claim compensation for accident and injuries met to him in addition to retiring benefits.

CASE 21

MACHINE TOOLS MANUFACTURING COMPANY

A Company manufacturing Machine Tools has a Sales turnover of around Rs. 6 crores. The management has started facing the problem in area of materials. In the primary scrutiny, it was observed that the problem areas as follows:

(a) Suppliers complaints about payment
(b) Stock out increased
(c) Very high inventory
(d) Rejection of material at the initial receipt stage
(e) Too much paper work
(f) Increase in number of bills and Purchase Orders
(g) Considerable overtime in Purchase Dept.

The procedure followed in buying the material is mentioned below :

Indent : Purchase Requisition -Purchase orders- Reminders and follow-up-Goods Inward Note-Inspection-Bills scrutiny and Payment.

Organisation of Purchase Deptartment is headed by Purchase Manager and has been assisted by 4 assistants, 6 clerks and 3 typists.

Organisation deals with 1,500 Purchase Requisitions per year and places about 400 Purchase Orders per month. Value of the materials brought is Rs. 20 lakhs per month.

What is your approach to resolve this problematic situation ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 22

XYZ ENGINEERING COMPANY

The XYZ Engineering Co. Ltd., manufacturing engineering products, has sales turnover of Rs. 10 crores per year. The chief Materials Manager when on an average buys material worth Rs. 25 lakhs per month finds himself occasionally in serious difficulties as he notices that his existing suppliers are charging prices some-what higher than Prices ruling in the Market at present, though he is satisfied with smooth flow of suppliers with respect to quality and quantity. Without disturbing the principal present suppliers, the Chief Materials Manager desires to contact potential new suppliers, and to create active interest in proposition, among new suppliers, thereby intensifying the competition among the suppliers and breaking the current-monopolistic tendencies, of which he feels, he is an unwilling victim. Note that he has to seek his new suppliers incautious and confidential manner without unduly disturbing and warning his present suppliers by tactless moves.

How would you approach to resolve this problem ? You should make a detailed suggestion in respect of your modifications/suggestions you propose to make in the procedure to be followed in buying materials in order to attain your objectives. You should be precise as far as possible and suggestion should be practicable.

CASE 23

LIGHT ENGINEERING COMPANY

The Light Engineering Co. Ltd. manufacturing Tools required by the Engineering Industry, has a sales turnover of about a crore of rupees. In recent months, the management of the concern is fling serious difficulties in the area of Materials like high inventory as well as in the ares of Warehousing like lack of accommodation; how would you solve this twin problem ? The Purchase Manager buys, on an average, material worth four lakhs of rupees per month and deals with over two hundred purchase requisitions per month, he places on an average, about sixty purchase order per month. How would you scrutinise every crucial step the procedure followed in buying the materials as in warehousing the products of the concern ? Make your detailed proposals which should be aimed at present by the concern.

CASE 24

EFFECTIVE MANAGEMENT IN SMALL FIRM

Success in small firms mainly depends on the proprietor's analytical ability and approach towards solving the problems related with finance, raw materials, market and labour. In our circumstances, it has really become difficult for small films; to increase their effectiveness. However, much efforts are being made to increase the effectiveness both by the government and the owners of these firms, though we have to go a long way.

E.F.L. Brech in his book, "The principles and practice of Management." wrote, everyday experience suggests that smaller units tend to suffer from one particular weakness their Chief Executive is often the owner and the technical expert in regard to the product. He seldom

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

bothers to make any study of management, or to realise that he has any need of it yet his need may be much greater than that of an executive in a group organisation. If in contemporary Britain there is less effectiveness in the medium and smaller firms, it probably traceable chiefly to this source."

This pointer is applicable to Indian circumstances also. If an analysis is made then it will be observed that most of the organisations in small sector are deadly organised and unscientifically managed. If we are to be successful in bringing effectiveness to these organisations, then every care must have to be taken to appraise the whole situations technically, economically and psychologically. One thing of a country is directly or indirectly dependent on the growth of these organisations.

Of course, there are cases, where the dynamic and logical approaches of the owner has made the organisations technically and economically viable. One such organisation is Electronic Industries Corporation Pvt. Ltd., of Calcutta.

Organisation : This firm was born in February 1956 as a partnership organisation, and in 1961 it became a Pvt. Ltd. Co. Management is by three brothers who own the concerns. The elder brother is an electronic engineer, middle brother is a Commerce graduate and the younger is a mechanical Engineer. It is an ideal combination of talents. The middle brother; looks after the Company's finance and purchase, the elder brother looks after sales and despatch and the youngest brother is fully responsible for the production, design, development, production planning and control and quality aspects.

Besides the three brothers, this organisation is having 12 persons. The operators are divided in two sections - one section is carrying out only mechanical fabrication work and other section electroniclect - Electronical-electrical productions. This is a typical line type of organisation, as it is characterised by direct lines of authority following from the top to the bottom of the organisational hierarchy, and responsibility following in a direct manner. Three brothers jointly take major decisions. Through this systematic organisational set up they have been able to make rapid communication and action thereof. Many problems are plantwide and a high degree of co-operation is there. They have been able to get widespread benefits through the pooling of knowledge and the development of company wide programmes for finance, product development, sales general enterprise guidance, to name only a few. The organisation chart is depicted in Fig. 1.

This firm started its operation in 1956 with just one person and small winding machine for manufacturing transformers, chokes and coils for one or two renowned electronic equipment manufacturing organisation of Calcutta. Progressively, it raised its capacity by requiring a number of winding machines and added a lathe machine and a hand press for fabricating electro-mechanical components.

By 1966-67, they had increased their capacity to a large extent. At the moment they are having the following machineries:

1. Centre lathes
2. Capstan lathes
3. Power presses
4. Shearing machine
5. Drill machines
6. Automatic wirewinding machines.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

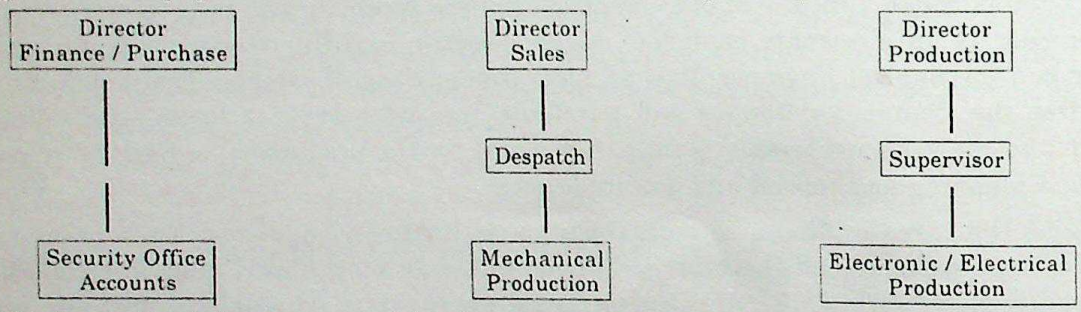
Gandhi Memorial College Of Education Bantalab Jammu

Apart from these they have got various jigs and fixtures which are required for tool making. They have developed and manufacture the following critical components (meeting applicable Defence specifications) for a large sophisticated electronic equipment manufacturing organisation Calcutta. Panel sealed rotary switch, crystal socket, spring return panel, sealed rotary switch, and off type small switches etc.

They have also developed a heavy duty rotary switch (which was earlier imported) for 'X' ray equipment manufacturing organisation of Calcutta. This firm is moderately equipped for the manufacture of any type of electro-mechanical components apart from pressed and turned parts.

Plant Layout : The firm is having approximately 800 sq. ft. floor space for the factory and approx. 25 sq. ft. for its office space. The following shops are divided within this floor space area : Machine shop and tool room, press shop, assembly shop, winding shop, production control and stores development laborator.

The layout is neatly planned that it ideally involves the allocation of space and the arrangement of equipment in such a manner that overall operating cost are minimised.



This has helped them as one of the directors told me to reduce the unit costs through better space utilisation and increase productive capacity resulting from the design improved layout. However, one snag that I observed in their factory design is poor ventilation. As the factory is housed in an old building, perhaps, they could not make sufficient arrangement for ventilating. However, in pointing out to end at the suggestion of the author they have agreed to put a few exhaust fans so that the polluted air could be pulled out very fast and reduce the heat problem.

Quality Control : The most interesting and appreciable point I have found in this organisation was the urge for quality products. The director who is incharge of production personally looks after this operation and has trained his operators how to 'cautious' the quality points.

He looks after the maintenance of the optimum quality level in a positive sense. He himself made out several measuring gauges to check the quality and the operators are trained in the importance of this stages. This director also told me that whenever there were major problems with the quality sought the help of the buying units to solve the problems. He frankly admitted that almost all the large buying units helped him in his problems.

Turning to process control system of this firm, I observed the following :

1. They employed one highly skilled operator to make a statistical check on all the materials which are either coming out of the machines of assembled.
2. The Director who is incharge of the production briefs him on the customers' specifications.
3. The skilled operator is provided with necessary instruments and gauges.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

4. This operator is also responsible for various cutting tools, hand tools and press tools. Whenever, there are deviations. he takes prompt actions.
5. He maintains control charts.
6. In his spare time he joins hands with other operators in production work.

In many small firms, it is a tendency often to neglect quality in favour of quantity. This 'pushing' attitude is reflected in customer dissatisfaction and sometimes less in business. By neglecting the 'quality' point one may for some time somehow looking the customer, but not all the time. One can guess the magnitude discontent when the customer gets repeatedly bad quality materials.

Finance : This is an areas which revealed to me as a 'dangerous spot' of this organisation. From 1974, they are having perennial financial problems. This is mainly due to less order in hand. So long they met the requirement through the personal savings and small inheritance. Though they have taken some loans from the bank but they are reluctant to take any further loan from the banks. Because, as Mr. Das, who looks after finance, said, "The bank inter charges are very high. Consequently, the greater the amount of operating profit required to provide a return on money above that needed to pay interest charges. Forever, it is very difficult to go through the cumbersome processes of bank loan and maintenance of accounts thereof." They are of course, trying their best to overcome their problems by way of getting advances from their purchasers by asking their friends for investment and by reducing the credit period for their supplies. But how far they will be successful in their line of operation is doubtful as these will cause operating inefficiency due to the firms inability to provide new processes and equipment, buy in economic lot sizes, take advantage of trade discounts, carry complete inventories to facilitate early delivery and grant credit in order to win or hold customers (this is very important in the present circumstances) but on plus point I observed is that the true brothers are happy with what they are having, so long as there is no less.

Sales : At the moment this firm is having much less orders in comparison with previous years. This may be due to their lack of foresight, their 'contentment' attitude, lack of contact with various organisation in India, lack in "drive and push" to get orders. The author suggested them atleast to advertise their products and their quality, price, capabilities, and to distribute catalogues to various organisation in India, to which they readily agreed.

The approximate sale figures (in rupees) were : 1971 – 1,25,000, 1972 – 1,40,000, 1973 – 1,50,000, 1974 – 1,25,000, 1975 – 1,80,000.

Labour : Labour is a very sensitive point whether in a large organisation or a small ones. Existence of problems in some firms or other can be found in each and every organisation. But, by and large this firm has not yet faced any major labour problems. The workers are generally happy and the management is also sympathetic towards them about their cordinal relation with the workers one of the directors said "If we are concerned with the creation of effective and satisfying working conditions we need to consider the problem in areas like man, machine, surroundings and social environment. We try to match as far as possible with our little means. Not necessarily we are successful all the time but most of the time we are successful in our approach."This is an Outlook" which most of the units are lacking. The environment inside an organisation must be harmonious and must take account of developments in industry and society as a whole. it rigid envolve of feudalism, surrounds the industrial environment, temporary stability may come, but not a long lasting stability.

Source : Economic Times 31 st July 1978.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The aim of this case study is to stress that there is plenty of scope for the small firms to improve their effectiveness if efforts are carefully tailored and decisions are based on methodic analysis. There are vast untapped potentialities lying in the small firms. If we are to strengthen our economic structure then we shall have to explore these potentialities in a systematic and unified way. And the experience of the firm studied here can be a guidance in this respect.

CASE 25

UNIVERSITY AS AN ORGANISATION

Our speaker on November 11th, Dr. X, gave us a great deal to think about. On the basis of his long experience as a faculty member, department head, and dean, he suggested that business could learn a lot about organisation by studying the relationships within a first-class university. Both policies and practices, he concluded, could be ready transferred from the campus to the business district.

He began by pointing to the fact that the typical, organisation of our better universities has a long history and has been adopted all over the would in such educational institutions. Further, he noted, there have been very few "business failures" among the universities. Many of them have a long, successful record that extends back several hundred years. They have had very few internal conflicts sufficiently serious' to handicap their operations or cause work stoppages. Yet they have traditionally been regarded as economically poor. Their relatively low salaries have always been a matter for public comment and concern. How, he asked, have they managed to keep going and to grow and expand in the face of these obvious difficulties ? The answer, he concludes lies in the general principles that guide the organisation and administration of all great universities. He listed the following major principles :

1. Authority in these organisations is clearly defined and specifically allocated.
2. All faculty members participate in decisions on educational policy and practice.
3. Relationships allow a maximum of freedom for individual ideas and action.
4. Recruitment is based upon widely accepted evidence of competence – advanced degrees, experience, reported research.
5. Promotion is based on self-established certain known to all teaching, research, publication, public service etc.

Problem : Evaluate the speaker's argument.

CASE 26

THE ONA POWER COMPANY

Mr. Robinson is industrial relations director for the Ona Power Company. The firm employs some 1200 hourly rated production workers most of them as semi-skilled machine tenders. It has experienced a rapid increase in the demand for power motors and, as a result, the employee relations staff has been asked to recruit upto 500 additional employees.

Labour markets in the locality are tight. Most of the applicants, as a result, are recent high-school graduates, without experience. Most of them save enough mechanical aptitude to meet production job requirements. The industrial relation's staff is impressed with the evidence, however, that a large proportion of these threshold employees should, on the basis of their interests and aptitudes, probably seek careers in other occupations.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Under pressure to secure new employees rapidly and in large numbers, the staff is disturbed by the influence this first job may have on the careers of these youngsters. Staff members have asked Mr. Robinson what to do ? Should they tell such applicants that they do not belong in semiskilled production jobs ? Or should they tell such applicants that they do not belong in semiskilled production job ? or should they send them along to foremen for possible hiring without advising them further ?

Problem : Write a memorandum for Mr. Robinson to staff members in which you answer their questions on this point.

CASE 27

THE MADRAS MAKERS COMPANY

Madras Makers was a large paper manufacturing concern in South India. The major departments of the factory were "

1. **Chemical processing** – the raw material was mixed with certain chemicals for making pulp.
2. **Pulp department** – pulp was mixed with other ingredients according to specifications for each order of paper.
3. **Paper machine department** – this was the heart of the factory where processed pulp was fed into the paper machines. At first, a wet weak paper was formed which was subsequently dried and rolled.
4. **Finishing department** – the paper rolls were they moved to the processing department where the required coating was given.
5. **Grading, winding and packing departments.**
6. **Quality control department.**

Twentyeight workers worked in the paper machine department in four groups, each group attending one machine. The nature of the work on each machine was such that all the seven workers had to work in co-operation. Because no individual tasks could be specified, the group was made responsible for the work turned out by them. All the workers working in the paper machine department had been with company for over ten years.

The company did not have any incentive wage system for any class of its employees. They were all given straight salaries with normal annual increments. The annual increments were sanctioned each year in a routine way. It was the policy of the company that the increments should not be stopped unless the department head concerned recommended such an action.

Mr. Rog was placed incharge of the paper machine department a year ago. Though Mr. Rog was a new comer in the organisation, he proved himself to be a very competent man. The management noted that he was very aggressive and enthusiastic and that he knew his job well. At the end of the year when increments were due to be sanctioned, he recommended to the management that the increments due to men in his department should be stopped, for in his opinion, they were lazy and inefficient. The eleven men concerned belonged to all the four groups operating in the department.

The management, though puzzled about the action recommended by Mr. Rog, acted upon it and stopped the increments due to the eleven men concerned. The management were aware that such an action was the first of its kind in the history of the company. Most of the employees were with the company for a fairly long period and there was never an instance of strained relations between the management and the employees. Soon after the action was taken, the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

eleven employees concerned made a representation to the management requesting them to let them know what was wrong with their work as to warrant stopping of their increments. The management were in a fix because they did not have specific reasons to give except Mr. Rog's report in which he simply mentioned that the eleven men concerned were "lazy and inefficient".

The management were naturally concerned about the representative, therefore, they tried to ascertain from Mr. Rog the detailed circumstances under which he recommended the stoppage of increments. When Mr. Rog could not pinpoint the reasons, the management suspected that Mr. Rog's recommendation was based on his impressions, 'rather than' on facts. They, therefore, advised Mr. Rog to maintain a register from them on noting the details of day to day incidents of its lazy and inefficient workers and obtain the signatures of the workers concerned. Mr. Rog was to make the final appraisal of each worker in his department on the basis of this register and recommend each case giving specific reasons why increments should be stopped.

Mr. Rog started maintaining a register as suggested by the management; but he found it very difficult to report satisfactorily any case of laziness or inefficiency for want of specific reasons.

The management were convinced that their action of stopping increments to eleven men on the strength of Mr. Rog's report was not a proper one. They realized that no similar action in future would be taken based on inadequate information. But, they were wondering, whether the suggestion made to Mr. Rog was the proper course of action to prevent occurrence of similar situations.

Questions :

1. Do you think that Mr. Rog is a competent man ?
2. Do you appreciate the action recommended by him ?
3. If you were a Managing Director would you have acted upon the recommendation made by Mr. Rog ?
4. What is wrong with Mr. Rog ? What advice will you give to him ?

CASE 28

Mr. DIXIT THE OPERATOR

Mr. Dixit was an operator in a Chemical Manufacturing Company. He was in the Company for more then 7 years. A matriculate, fair complexion, good height and physique, soft-spoken always putting on a smile are some of the personal details of Digit. He was drawing Rs. 100 p.m. when he was recruited in 1965, and by the dint of hardwork, sincerity and honesty he got quick promotions. In 1970 January, his pay was Rs. 485 p.m. He was placed in Highly Skilled category.

On 12th March 1970, while he was working in first shift, he committed a mistake which involved a net production loss of Rs. 50,000 to the company. The Production Manager held him responsible for the loss and asked Personnel Officer what action should be taken. Personnel Officer said "We will dismiss him". Production Manager said 'No', he is very good at work, very sincere. This was the only mistake done by him. I do not know how it could happen.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Personnel Officer called Digit and asked him questions. Mr. Dixit plainly admitted his mistake in writing and requested the management not to terminate his service but to excuse him.

The Personnel Officer dismissed him from the services. Mr. Dixit preferred an appeal to the General Manager.

Give your decision on the appeal with reasons, assuming that you are the General Manager.

CASE 29

THE MULTI-FLOW PRODUCTS COMPANY, LTD.

The Managing Director of the Multi-Flow Products Company Ltd., decided to get rid of line and staff problems, so he announced that manufacturing, engineering, finance, sales, and personnel were line departments, each with powers to take decisions. Not long afterwards, he had to arbitrate between finance and sales over the per diem allowance for field salesmen. Then the Personnel Manager wanted him to make the Manufacturing Manager agree to a management appraisal system which the Manufacturing Manager didn't want. And then a lot of five thousand valves was rejected because they were of 0.1 inch only. The Managers of Engineering and of Manufacturing each blamed the other.

Questions :

1. How will you solve this problem ?
2. Was the policy adopted by the Managing Director right ?
3. What line and staff relationship would you Advise ?

CASE 30

GENERAL INSURANCE COMPANY

The new general manager of a private General Insurance Co. was asked to review the old administrative practices and thus to introduce utmost economy, efficiency and discipline in the organisation. It was reported that the old general manager, who retired at his age of 60, could not enforce discipline for one reason or the other.

The new general manager found that the employees were taking undue advantage of the liberal practices followed by the old general manager. They used to be irregular in attendance. They remained absent without prior permission of their immediate bosses. They used too waste much of their time while on duty also. They used to sit for over-time work and claim over-time work and claim over-time allowance. There were no strict norms laid down for the over-time work and the over-time payment. The head-clerks concerned of the respective departments, who were old and experienced employees, wanted to enforce discipline. But the employees used to ignore them, since they knew that the general manager would always adopt a soft side while giving treatment to employees.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The new general manager, in order to introduce efficiency and economy, took the following steps :

1. He issued an order that over-time payment will be stopped under any circumstances, no matter how urgent the work was.
2. He told the employees that the employees would be required to approach the general manager before taking even a single day's casual leave.
3. He abolished ten temporary posts of full-time clerks and instead appointed 20 part-time clerks.
4. He further abolished six full-time posts of peons and created 12 part-time posts of peons.

In both the cases above, his objective was to see that the wastage of time involved at the hands of the full-time clerks and the full-time peons would be avoided.

Since the new orders were issued by the general manager, there was a resentment among the clerical staff and peons. They submitted a memorandum in this respect. This was placed before the Board of Directors for consideration. In the memorandum, it was urged that the leader of the employees union should be called for discussion. The Chairman of the Board of Directors placed this memorandum before the Board for consideration. The Board, on the whole, was of the opinion that it should give the hearing to the general manager as well as the employees' representatives were called to place their arguments before the Board.

Questions :

1. In your capacity as new general manager, place your arguments, before the Board and justify the new orders that you have issued.
2. As the representative of the employees' give your arguments and explain how the new orders issued by the general manager caused a harassment to the employees ?
3. What view would you place before the board in your capacity as Chairman of the Board of Director, so as to avoid resentment among the employees ?

CASE 31

AJIT TRADING COMPANY

Anil kumar is working as a Head-clerk for the last 20 years in Ajit Trading Company. He is only a matriculate. But he has been in this proprietary concern right from the beginning. He earned a good confidence of the proprietor. He has now under him six clerks, two typists and three other assistants.

When the proprietor of the concern died in 1966, his son took over as the new proprietor and explained the concern in different directions. He then later on converted his concern into a public limited company. He also thought that he should start, in addition to trading activities, the service organization and also added a few lines of new products in his trading activities. With the increase in his work, he decided to create new posts and one of these was the post of a Superintendent. He thought that he should appoint as superintendent someone who had a Masters' degree in Management or at least a Bachelor's degree in Management of Commerce. He asked the head-clerk to insert advertisement in the newspapers accordingly. Anil kumar, who was working as a sincere and devoted head-clerk for the last 20 years, felt very much unhappy, when he learnt that a new superintendent was going to be appointed as his boss. He sincerely thought that the new superintendent, without any long experience add insight into the problems of his concer , would not be able to produce results. He therefore, approached the Proprietor, who was now designated as Managing Director, with a request that he should also be considered for the Superintendent's post, although he had no Bachelor's or Master's degree.

CC-0 Agamnigam Digital Preservation Foundation, Chandigarh Funding by IKS-MoE-2025-Grant

The Managing Director was not very much convinced by his arguments. He appointed as Superintendent, one Mr. Dinesh, who had Master's degree in Management, but who had hardly any experience of working in any office. As soon as the new superintendent was appointed, Anil kumar went on a long leave. The Managing Director asked Anil kumar to make it convenient to see him in his office. But he did not turn up. Instead, he sent in his letter of resignation. The Managing Director got the unauthorized report that Anil kumar was being taken up in a responsible position in another competing concern.

Problem :

Do you think that the Managing Director's step in appointing a new superintendent was correct ?

What advantage he thought, his company wound get by appointing in the Superintendent's position a new person instead of giving that position to Mr. Anil kumar ?

Why did Anil kumar not turn up when he was requested to see the Managing Director ?

Is there any possibility of motivating Anil kumar to work as head-clerk along with the new superintendent ?

Assume that you are Anil kumar and write a letter of resignation to the Managing Director, and state therein your feelings in about

CASE 32

THE EXCELSIOR DEPARTMENT STORE#

The Excelsior Department Store, had a large shoe department which employed about twenty sales clerks; almost of these clerks were loyal and faithful clerks who had worked in the department more than ten years. They formed a closely knit social group.

The department store embarked on an expansion programme requiring seven new clerks to be hired in the shoe department in a period of six months. These newcomers soon learned that the old-timers took the desirable times for coffee breaks, leaving the most undesirable periods for newcomers. The old-time clerks also received priority from the old-time cashier, which required the newcomers to wait in line at the cash register until the old-timers had their sales recorded. A number of customers complained to store management about this practice.

In addition, the old-timers frequently instructed newcomers to straighten shoes in the stack room and to clean displays on the sales floor, although this work was just as much a responsibility of the old-timers. The result was that old-timers had more time to make sales and newcomers had less time. Since commissions were paid on sales, the newcomers complained to the department manager about this practice.

Questions :

1. If you are the manager of the shoe department, what would you do about each of the practices mentioned ? Explain reasons for your actions.

CASE 33

THE FINE TEXTILE MANUFACTURERS LIMITED

The Fine Textile Manufacturers have four factories in Western India. One of the directors Mr. Harish Meghani is incharge of production. Reporting to him are four factory managers. The, quality control incharge, the purchasing agent, and the warehouse incharge also report to the same director. Within each factory, there are a number of departments. A departmental

Source : Reprinted from 'Human Behaviour at Work' by Dr. Keith Davis

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

head is incharge of each of the department. Assisting each departmental head is a foreman. To each factory are attached a number of quality central inspectors who are responsible for inspecting, and checking the raw materials, the goods in process and finished goods. The number of quality control inspectors varies from three to-five among the four plants ?

The Manager of one of the factories Mr. Ashok Mehta has been incharge of production operations for over seven years. Mr. Arvind Shah, now incharge of quality control of the same factory, had previously worked for Mr. Mehta and had been one of his best assistants. Now they both reported to the director of production – Mr. Harish Meghani and were almost on an even basis so far as experience, seniority and salary were concerned.

As incharge of inspection, Mr. Shah could withhold the production lots with which he was not satisfied. Of late, he had been doing this. He seemed always to have adequate justification for stopping these lots. Nevertheless this action of Mr. Shah evoked hard feelings between Mr. Mehta and Mr. Shah and Mr. Meghani felt that these could be avoided if Mr. Mehta and Mr. Shah could get together to settle the differences.

Recently, one of the big orders had been held back because Mr. Shah felt that some lots were defective.

Questions :

1. What should be the formal authority relationships and communication patterns between the quality control incharge and each of the following persons ; he Purchase Agent, the Factory Manager and the Departmental Heads ?
2. In your view, what should be the organisation structure vis-a-vis authority relationships and communication patterns ?

CASE 34

Mr. GOPALRAO, THE PROPRIETOR

Gopalrao, the proprietor of a small repairs workshop, was running his shop with the help of a Master Mechanic, Pant, who was hits right-hand man. As Gopalrao switched over to manufacturing, he concurred with Pant that there should be increase in labour. Because of his modern outlook, Gopalrao employed five young and educated boys. They were left in the charge of Pant. After a few days, Pant started developing a feeling that the newcomers were irresponsible. For example, he found that the boys left their work-benches in a shabby state, brought their own soap for having a wash before going home, refused to stayover and attend to work only because it arose when they were about to go home. Pant even complained against one of the boys, Shyam, when Pant felt that Shyam instigated other boys. Once when Shyam had taken leave from Gopalrao, he was rebuked by Pant for not informing him in advance. One day Pant hard to engage coolies to get a lorry unloaded, after the boys refused to do the unloading on the plea that the load was heavy and moreover it was to be carried 100 yards away, besides, they had other work to do. Following this incident, Pant approached Gopalrao with tearful eyes and resigned. Shyam had resigned three months earlier.

Compare the mistakes committed by Mr. Gopalrao and Mr. Pant in the new situation in the company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

CASE 35

SUPERVISORS ORDERS

Sam Allen came to Olympia when he graduated from high school four years. He has worked in Research Project 310 for the past two years as a technical assistant. Upto now, Sam has liked both his job and his supervisor, Malter Mills. He has had several pay raises and is handling increasingly complex work. He has learned a great deal on the job, so that he is much more valuable today than when he was hired. You have a future at Olympia, Sam, Mr. Shills told him just a month ago.

But last week Sam heard through a friend that there was a job opening in Research Project 311 doing work similar to that in 310, but with greater scope and more possibility for quick advancement. A couple of days later, he had an assignment that took him to that laboratory, and he asked *NedThompson*, the project chief about the job. The two men had a detailed discussion which convinced both of them that Sam should apply for the job. "The first taking to do is to talk to your boss about a transfer," Thompson said. Sam tried to see Mills, but he was out all that day. At 9-30 a.m. the next morning, Mills called Sam into his office. He asked angrily, "Why didn't you tell me you were dissatisfied here, Sam ? Ned Thompson just called me. If you wanted a transfer, why dint's you ask for it yourself ?" Sam tried to explain, but Mr. Nills wouldn't' listen. "Explain, my foot" ... he said. The fact remains you should have come to me first. If you had, I would have told you Bill Henes is leaving, and until this happened I thought I would move you up into his job. Now you can stay put. I am not signing any recommendation for a transfer, either. I am a pretty board minded guy, Sam, but if there's one thing I can't stand. It's disloyalty." "O.K., Sir" said Sam. "If that's how you feel about it, the best thing I can do is quit right now."

Analyse how far Mr. Sam was loyal or disloyal, against the case background.

CASE 36

THE STAR PRODUCTION COMPANY

"I don't know what went wrong but we certainly don't have what I was under the impression we were going to have. Either the planning was erroneous or we did not follow the planning." Continuing, the Chairman of Star Production Company stated, "All can say is we definitely need more factory space."

The reasons for this observation by the chairman are as follows. The Company outgrew its present factory building and a careful study of the volume of business it would be doing in three years was made. Later additional 22,000 sq. feet was constructed adjoining, the present factory building. It was hoped that this would provide the floor space needed three years hence, it was believed that the growth would be gradual. Therefore, all the machines facilities and equipment needs in addition were not purchased immediately. Only those required for the first year's growth were brought and installed. Each foreman was held responsible for production in his department. He was to plan the arrangement of machines and facilities for his department. Later, these separate departmental plans were integrated into a master layout plan by the assistant manager in-charge of production. He was helped in this task bv a recent engineering graduate assigned to the engineering department.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Company was recording an increased production and sales. The growth in the first year was almost close to expectations. At the beginning of the second year, additional machines and equipments were brought. It was soon discovered that to make room for new additions considerable moving and shifting of work benches was required, and to maintain the production flow of work necessary to, meet the manufacturing schedule. Cost of moving existing facilities and installing additional machines far exceeded the initial estimates of the three years plan.

Sales were further showing a rising trend. When it was time to purchase remaining machines and equipments it was discovered that there was no factory space available. The entire 20,000 sq. feet were used only for 70% of the quantity required by the plan. There was no appreciable change in production process and the product mix was also almost identical during the preceding two years period.

The Chairman is worried that something went wrong same where along the line. He is eager to determine what can and should be done from hereon for achieving the sales and production levels for which the company has planned.

Questions :

1. What is the problem ? Why did it arise ?
2. What are the alternatives now available to the Company ?

CASE 37

MADHAV WADKAR

Madhav Wadkar was a very able and reliable employee. He was an innovative and superior tool maker. Now 35 years of age, he decided to start his own business and work in the evening and on holidays. The products to be made were almost exactly the same as those made by the company were he was employed. Mr. Wadekar's supervisor discovered his new business adventure but no action was taken for some months believing that., it might not amount too much and best course was probably to wait and see.

One day, Mr. Wadkar was found making telephone calls on company time and using its telephone to order materials for his own business. The supervisor reprimanded and warned him that such practices would not be tolerated. The incident was reported to the General Works Manager. Later Mr. Wadkar was given a formal notice signed by the General Works Manager requiring Mr. Wadkar to decide within four weeks whether (1) To get rid of his business, or (2) to quit his job as an employee.

At the end of four weeks, Mr. Wadkar was asked directly by his supervisor as to his decision regarding his business. Mr. Wadkar reported that he had decided not to give up his business nor he was going to quit his job. The supervisor told him that he was making a big mistake. However, Mr. Wadkar did not see it that way and that he was a good employed. His outsides work did not interfere with his job as an employee. Further, he argued that he was using his own time which was not the concern of the company. The business was very small and it would not possible hurt to the company. He was not using any of the company's practices and was not soliciting any of its accounts.

Two days later, Mr. Wadkar was served with notice for effective discharge immediately.

Questions :

1. Was the action of Mr. Wadkar ethical ? Why ?
2. Was the action by the Company ethical " Why ?
3. Evaluate the handling of the situation and the action taken by the company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 38

THE FRUSTRATION

Mr. D'Souza has achieved some remarkable production records in the factory of which he is the Vice President Manufacturing. He often demonstrated rare skill in applying time saving method to company operations. However, he feels unable to handle his own time more efficiently. Frequently, he works overtime and feels that he is consulted for excessive amount of trivial matters.

He has been discussing this personal problem with several of his colleagues one of whom told Mr. D'Souza that the goals he had set were unreasonable, too ambitious. As a result, Mr. D'Souza often felt frustrated and restrained. From achieving what he believed was to be achieved.

His other colleague advised Mr. D'Souza to reduce substantially his outside contact work. Because of frequent interruptions, he was unable to do his work expediently," have your calls screened;" suggested his colleague.

Mr. D'Souza appreciates the well intended advice he has received but he is not sure what course he should follow. He feels that certain amount of frustration is a natural part of his job. According to him most managers put time and effort into work that turns out to be worthless, at times what appears to be simple task is found extremely difficult to do. He is not seeking executive utopia yet he feels certain that improvements can be made towards malting the most of his time.

Questions :

1. Evaluate the suggestions offered to Mr. D'Souza. How would you implement those which you wrongly favour ?
2. What controlling efforts over his time do you recommend Mr. D'Souza ? Why ?

CASE 39

AUTOMATION - THE COMMUNICATION GAP

The Beacon Boiler Company (BBC) is one of the most dynamic organisations in the country to the heat process field. It has 10,000 personnel of which 1,000 are qualified engineers and 600 in the managerial cadre. The Company supports a non-political union consisting of blue-collar workers. So far the relations between the Union and management has been very cordial, and todate there has not been an strike in the Company in spite of the fact that it is located in a strike prone area.

Last year, the management of BBC called in the representatives of the labour union, and informed them that, the Company planned to computerise many of its existing systems. Due to the growing complexity and rapid growth of its business, the Management however wanted to take the Union into confidence before taking the final decision in the matter. With this in view, a conference was called by the MD, at which representatives of the Union, the Technical Director along with the Personnel Manager and Sales Manager of Data Processing Systems (DPS) Mr. Ramesh were invited. After a preliminary briefing by the MD, Mr, Ramesh of DPS was asked to explain the details of the proposed automated system, which he did with the assistance of a film and slides. He concluded by explaining how automation would help to solve problems in material control, market research, product mix etc., which ultimately would benefits the Company no end by affecting maximum economy.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Union wanted some time to discuss the case in all his aspects with its other members. In the meantime, however, the Management went ahead with exploratory work in automation. While this was being done, the Indian Air Lines supported by Life Insurance Corporation went on an all India strike protesting against the use of computers by their respective corporations. The BBC did not actually join the strike, but announced its support for it on the grounds that the struggle against automation is the struggle of the entire working class in India, as such this national problem therefore cannot be confined only to the BBC. They asked the Management to stop even the preliminary work being undertaken by them on this matter.

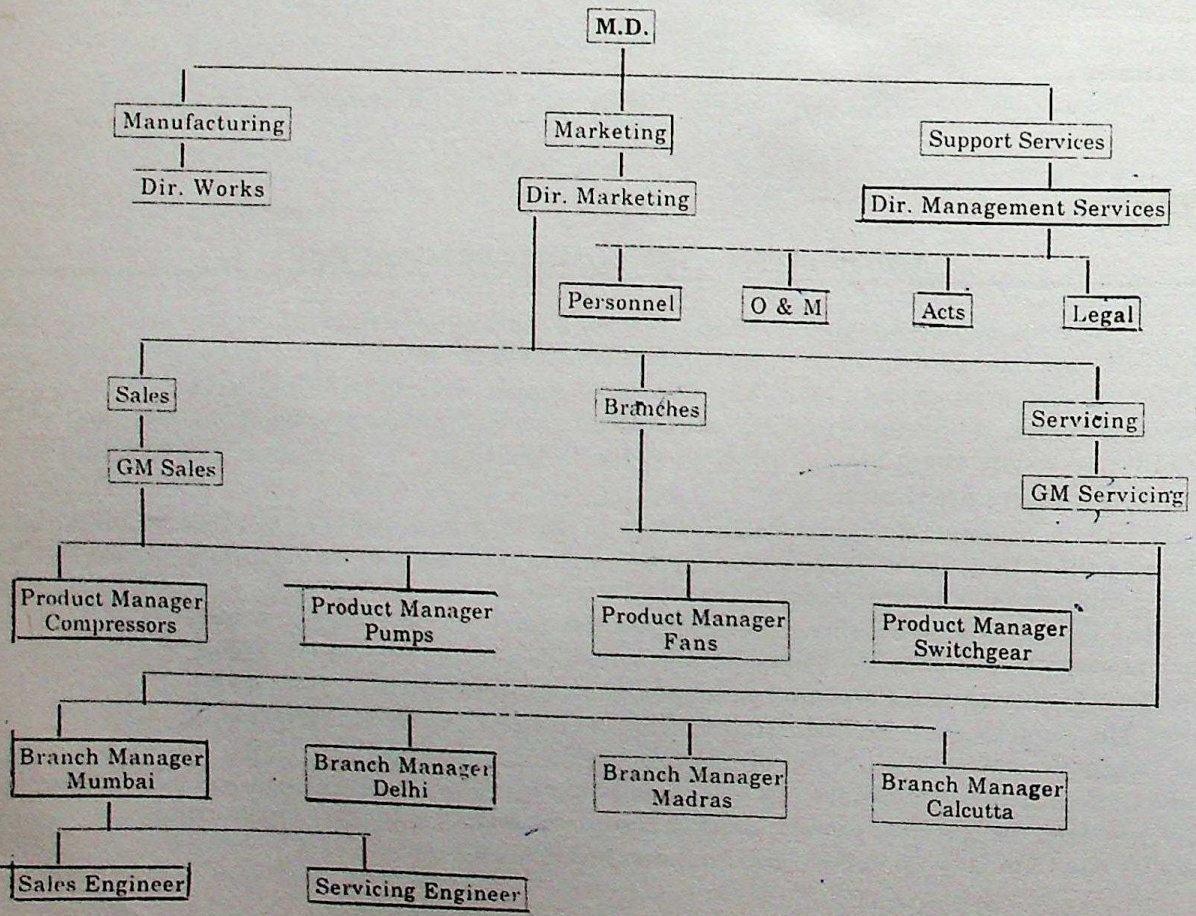
Questions :

1. Comment on the approach and logic of the Management and Union to the problem of introducing automation.
2. In view of the Union's latest attitude, should Management continue introducing automation or abandon the idea ? If the former, how should it proceed without getting into confrontation with the Union ?

CASE 40

HEAD OFFICE AND BRANCH–ACCOUNTABILITY

1. The activities of Enfield Engineering Company (EEC), producing assembly products such as pumps, compressors, fans and switchgears, could be divided into three main functions of Manufacturing distribution and after sales servicing. These activities are supported by Staff departments such as Accounts, Personnel, O & M and Legal. The organisation chart of the Company is shown below :



CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. The main forte of the Company is in its aggressive sales policy the responsibility of which is with the Director Marketing. The Product Managers are responsible to the Director Marketing for all activities in their line and are accountable for the business of their particular product. To function efficiently on an all India basis, the Company has four branch offices with an element of sales and servicing personnel in it to represent their products in their respective territories. They report to the Product Manager at Head Office for sales turnover, and to the Branch Manager for administration and discipline. The manufacturing programme is based on the sales forecast submitted by the Branch Managers and filtered through the Product Manager at Head Office.

3. Mr. Shah the Product Manager of fans, was proud his Rs. 5 crore turnover for year ending 1978. He normally received about 2,000 enquiries of with 500 materialised into orders. Last year, however, the sales turnover for pumps slumped to below Rs. 4 crores, while the outstandings were above the discretion limit. When asked by the MD to submit a report for this low performance, Mr. Shah felt that, he could not be held responsible for this as the feel of the market and collection of payment can only be gauged and done by the Branch Managers who however do not report to him. He therefore suggested a change in the existing line of command and control between the Head Office and the Branches.

Questions :

1. If you agree with Mr. Shah, what organisational changes would you suggest in the present set up ?
2. For a product based organisation like this one, what do you feel should be the responsibility of the Branch Managers ?

CASE 41

ENVIRONMENTAL CONTROL — THE SAFETY FACTOR

Although the India Bauxite Company (IBC) is a fully automated plant producing 1 lakh tons of alumina per year, its captive bauxite mine located 50 miles from it, is still a semi-mechanised affair. In the Mixing Section of the Mine, bauxite was crushed, screened, and mixed with water to form a slurry. One hundred employees, mostly unskilled local labour, have been working in this Section, ever since its inception, and such were quite used to the dusty and unhygenic working conditions prevailing therein. With time, many of the old timers retired and were replaced by newcomers who found the working environment intolerable and raised a protest to their Mine Superintendent. The matter was referred to the Mine Safety Committee who concluded that, while a fully mechanical device would be the ideal solution to the problem, however due to the heavy investment involved, use of small respirators would be equally effective in the interim period that a mechanised crushing plant could be installed.

A decision was thus taken to import these special respirators as the same were not available in India. Till such time they arrived, as an interim measure, it was suggested that the men should be supplied with pieces of brown cloth to cover their faces at work and which could be replaced as and when they became unusable. The cloth offered limited protection, besides the men took them home for their use even after working hours.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

When the respirators arrived, surprisingly the men were reluctant to use them on the plea that, the brown cloth was more convenient. They further stated that, respirators were not only difficult to wear in a hot climate like India, but they also created a problem of storage and cleaning of there filters. The Mine Superintendent and the Management however felt that, unless the respirators were taken into use they (i.e. the Management) would not hold themselves responsible for the safety and health of the man working in the Mixing Section. The workers however continual to be adamant in refusing to wear respirators in preference to using the brown cloth and even threatened a strike.

Questions :

Under the circumstances, comment whether :

1. In the interest of maintaining industrial harmony, the workers should have their choice in this matter, or
2. In the interest of safety, the Management should insist on the correct precaution to be taken.

CASE 42

BLUE BIRD PLASTIC COMPANY

"I just don't want him telling me what to do, that's all", stated Shri. Korane over the telephone to his superior, Shri. Bhushan, Vice President of Finance Blue Bird Plastic Company, Poona.

"I'll talk with him again Korane. Sorry it happened, but don't let it worry you assured" Shri. Bhushan in reply.

"No, that's for sure. But for goodness abate, put him in his place." O. K. Korane. "Will do."

Shri. Lele was executive secretary to Bhushan, a cautious and quiet man. Shri. Lele was transferred to his office about four ninths back when the Aurangabad regional sales office was closed by the company. Top managers hoped to provide Shri Bhushan expert help by assigning Shri. Lele whose personal record showed him to be capable, highly efficient, ambitious, some what impatient and short tempered person. He is thirty years of age and single.

Reporting to Shri. Bhushan is Shri. Korane, head of accounts, Shrimati Pagnis, head of order writing, Shri Patne, in-charge despatches and Miss. Anand, operator and receptionist. Earlier, about two weeks ago, Shrimati Pagnis, aged 45 and Shri. Lele had a little verbal scuffle about priority in completion of the order writing for certain customers. The issue was settled by Shri. Bhushan who decided it in favour of Shrimati Pagnis. Then he had a talk with Shri. Lele about human relations in business. During the discussions, he commented that it was unwise to be too aggressive in most business relationships. He gave Shri. Lele several books to read which, he stated, should help him in his work.

Shri. Lele feels, the people reporting directly to Shri. Bhushan are taking advantage of him and have been doing so far too long time. He (Bhushan) is so buried in details that he delays many financial decisions. Shri. Lele is certain that the management personal of the finance group are going all in different directions and Shri. Bhushan does'nt realise this. Shri. Lele is positive in his feeling that his dealings with various heads within the finance group are for the best of interests of the company. He also feels that subordinates of Shri. Bhushan go ahead and decide issues, sometimes poorly, when the final decision should come from Shri. Bhushan, or at least with his sanction and knowledge.

Questions :

1. What is the Problem as you see it ?
2. What factors have you contributed to the present state of affairs ? Give reasons
3. What plan of action would you recommend to remedy the situation ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

CASE 43

POPAT ENGINEERING COMPANY

Popat Engineering Company is a large heavy-engineering unit. A lot of importance was attached to the recruitment and training of its senior supervisor. Apart from those selected from within the organisation, every alternate year, the company recruited about ten young engineering graduates, who were then trained for two years, before they were appointed as senior supervisors. About 40 % of the vacancies for seniors supervisors that occured in the organisation were filled in this way. This was a planned programme to impart vitality to the organisation. Besides, many of the old timers who had risen from the ranks did not possess an academic background, so that they could not keep, pace with technological changes. Management also believed that, in the rapidly changing conditions of industry, a band of technically competent supervisors played a pivotal role, besides serving as a pool for future department managers.

Engineering graduates were selected from those who replied to an all India advertisement. For the selection of one engineer, an average of eight applicants were called for interview. A selection committee consisting of the General Manager, the Production Manager, the Personnel Manager, and the Training Officer, interviewed the candidates. The interview was proceded by a written test and only those who secured 40% marks qualified for the interview.

The engineers selected were given a two-years course of intensive theoretical and practical training at a well staffed and equipped Training Institute. This also trained trade apprentices and operatives required by the company. Lectures on theory were given at the Training Institute, and practical training in all the works departments under the guidance of qualified and experienced instructors. A few lectures by senior-officers of the company acquainted them with many policies on different matters. In the last quarter of the training programme they are deputed to work full-time to familarize themselves with conditions in the departments where they were to be eventually absorbed. On completion of training the graduate engineers were offered appointments depending on the performance and aptitude shown during training.

However, most of them had some difficulty once they began to work. According to the Management, some of the heads of departments, who were themselves not qualified engineers, did not have confidence in the younger men. They preferred subordinates who had come up from the ranks, to hold positions of responsibility. A few stated that, it could take years before these youngsters to could pick up the work. Besides, some of the employees whose promotion was affected by the appointment of graduate engineers, did their best to run them down as a group, sometimes playing on the class feeling of the workers. Several supervisors who were not graduate engineers also spoke derisively of them as the 'blue-eyed boys' of the organisation. Management knew that many of the graduate engineers were not fully utilised nor was any attempt made to test or develop their potentialities. It was clear to them that many of them were dissatisfied with their work life. Some, who did not get the promotional opportunities of their colleagues in other departments, were looking for better jobs elsewhere.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

On the other hand, according to management, the young graduate engineers were themselves partly responsible for this hostile reaction. Some of them failed to appreciate that it took time for a new-comer to be accepted as a member of the work group. They did not realize that they would only be fully productive after five to seven years' experience in the organisation. A few thought that they belonged to a superior cadre and threw their weight about. They were not concerned about the problems of the rank and find who worked under them.

In spite of these drawbacks, the General Manager felt that these men formed a set of disciplined supervisors. They had pride in their profession, and, with the extensive training they had received, would be able to take up any responsible position in the organisation in the course of time.

The General Manager could not allow this situation to continue especially since the recruitment and training of young engineering graduates of the requisite type and calibre was a difficult and costly process. He knew that to a large extent the prosperity of the company depended on these young men. In addition, a large number of lucrative employment opportunities were available to these young engineers elsewhere and there was a systematic raid on them. He therefore called a meeting of all heads of departments to review the situation.

Question :

1. How would you remedy the present situation ?

CASE 44

TRANSFER INDUSTRY AND THE RECESSION

In July 1968, the Reserve Beak of India (RBI) Bulletin published an article titled "On Resent Recessionary Trends in Organised Industries". One of the conclusions of the RBI study of the recession was as follows :

There is as yet a growing demand for power and at the same time some power projects taken up earlier have fructified. As a result, all industries related to power generations and distribution like electricity, aluminium conductors, electrical lamps and power transformers have done well.

Leading transformer manufacturers were quite concerned about the RBI analysis of the state of their industry. In 1967-68, most of them knew that they were in the grip of a recession. Their order books had grown thin and their marketing efforts especially in relation to the State Electricity Boards had proved to be of little avail. (However, order data were never maintained systematically by the manufacturers). Yet the RBI has concluded that the transformer industry was doing well.

It was clear that this conclusion was based only on an analysis of past production data.

The transformer manufacturers knew that the RBI analysis would go against their effort to influence the government of India to do something about their precarious condition. Obviously, the Government would be more concerned about the helping those industries in trouble rather than those which are supposed to be doing well. The Manufacturers' Association therefore decided to study the problem in depth and to refuse the conclusion of the RBI about the impact of the recession on transformer industry.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Assume that you are working for the Association and have an access to the data given in Tables 1 and 2. How would you assist the Association ?

TABLE 1

PRODUCTION, PRICES AND NATIONAL INCOME

Year	Index of Industrial Production (1956 = 100)	Transformer Production (Million kVA)	Index of wholesale prices (1952 - 53 = 100)	Index of Machinery prices (1952 – 53 = 100)	Net National 1960 - 61 prices (Rs. crores)
1961 – 62	141.0	1.95	125.1	114.5	14133
1962 – 63	152.9	2.42	127.9	117.9	14439
1963 – 64	167.3	2.75	135.3	124.2	15216
1964 – 65	177.8	4.30	152.7	128.0	16362
1965 – 66	188.1	5.50	165.1	135.9	15593
1966 – 67	192.6	6.00	191.3	149.8	15906
1967 – 78	195.3	6.42	212.4	155.0	n.a.

n.a. = not available

TABLE 2

POWER GENERATION AND CAPACITY

Year	Index of Electricity generated (19-9-100)	Total installed Generating capacity (million kW)
1960 – 61 ...	100.0	5.654
1961 – 62 ...	116.3	6.231
1962 – 63 ...	130.7	6.925
1963 – 64 ...	150.9	7.556
1964 – 65 ...	173.6	8.458
1965 – 66 ...	190.9	10.173
1966 – 67 ...	207.8	11.460
1967 – 68 ...	230.7	13.500
1968 – 69 *(Estimated) ...	n.a.	14.800
1969 – 70 ...	n.a.	16.200

*Estimates made by the Central Water and Power Commission and re-evaluated by the Manufacturers' Association.

CASE 45

SUPERVISOR'S DILEMMA

I am supervisor at a modern soap factory built about ten years ago at Ghaziabad, which is a fast developing town in Uttar Pradesh and lies about 18 miles away from Delhi, the capital city. The factory is situated in beautiful and what one might call rural surroundings. The factory is itself surrounded by cultivable land and many of the factory workers own ancestral property here. The pattern of living of the workers, in most cases, conforms to the joint family system.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

I feel that production at our factory has never come up to management's expectations for several reasons. One of these is heavy absenteeism, for during the agricultural season the factory workers stay at home to cultivate their own land. Since the worker is also a farmer, there is no dearth of food, and his factory job only provides him with liquid cash. Because he does not depend upon factory wages alone, the factory worker takes things easy, which results in a situation of chronic absenteeism in the factory.

About six years ago, within the same factory compound, a fruit processing unit was also added by the company. The jobs in this unit are seasonal; that is only during the fruit-growing season does it work to full capacity. The unit employs 22 workers. All of them are given semi-skilled grade E jobs. During the season, besides the bottling of fruit products, fruit juices are also filled in wooden cases and stored up, so that in lean periods, they could be bottled. Some of the jobs done in the unit are peeling fruit, extracting juice, boiling juice and other ingredients into syrups of jams, bottling, capping, labelling, storing, and keeping the premises clean.

During the lean period the major portion of all these jobs comes to an end and therefore part of the work-force is transferred to the soap plant and allied sections, to make good labour shortages which occur there. However, a small portion of workers who remain in the fruit-processing plant are given light jobs, such as keeping the premises clean, rolling the barrels, and so on. The only exceptions are the two workers who are engaged in filling and capping bottles. They have an obvious job title: Bottle Filler and Capper. All workers in the fruit-processing unit are permanent employees. When these two workers-Bottle Filler and Capper-see others having an easy time they become disgrunted and demand higher wages, or that others do the filling and capping jobs as well. They cannot be given higher grades because in the soap factory people doing almost similar jobs in E grade and they too, would then claim higher grades. The other workers cannot be made to do these jobs because production would suffer. The bottle filler and capper have done the job for years and have attained great speed in doing it. Others cannot match that speed.

I first cajoled those two workers and also counselled them, but without success. Finally, I threatened them with punitive action. This has only resulted in a 'go-slow' response from them. I am faced with a dilemma. I am convinced that so far as my unit is concerned these two workmen's demands are just and fair since the work-load on them is definitely more than on the others in the unit, and also their jobs are more skilled than that of the rest of the workers there. However, in the context of the entire factory, their demands cannot be conceded.

Analyse the case and suggest solutions.

CASE 46

MATHUR'S CASE

This company was a proprietary concern started sometime in the year 1957. Later on, it was converted into a partnership firm and finally in the beginning of the year 1963, the concern was established as a private limited company.

The company's growth was piecemeal rather than on a planned basis. As the company went on growing, several departments were added, and personnel in the various departments and administrative offices were appointed as the need arose from time to time. The Directors

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

of the company thought that certain new functions like Industrial Engineering, Costing etc. need to be looked after by separate departments headed by specialists. Accordingly, a Cost Accountant was appointed and a separate department was created. Similarly, after some time an Industrial Engineer was appointed specially to look after industrial engineering activities in the company.

The Industrial Engineer, Mr. Mathur, was selected after considerable screening of several candidates for the post, on a fairly high salary as the Directors had thought of giving him the status equivalent to that of Production Engineer of the company. Mr. Mathur joined the company on 1st August, 1964.

On the first day of October, 1964, Mr. Mathur reported for duty about half an hour earlier than the scheduled time. He did not know whom to contact and the Receptionist also had not come by then. Mr. Mathur preferred to stand near the entrance of the office. At about 8.30 a. m., the Technical Director, Mr. Rao, came to the factory and saw Mr. Mathur waiting. He took Mr. Mathur with him to his office and called for the Chief Engineer, Mr. Deshpande. Mr. Deshpande had not come by then. Sio Mr. Rao called for the Dy. Chief Engineer. He also had not come either. Mr. Rao, therefore, called the Production Engineer Mr. Kumar and instructed him to conduct Mr. Mathur round the factory. Mr. Kumar was not introduced to Mr. Mathur. He, however, found the company of Mr. Mathur very cordial and congenial and this was a welcome relief to Mr. Mathur, who was rather upset with the happenings in the just hours of his joining.

Mr. Kumar and Mr. Mathur spent about two hours in going round the factory and being introduced to various officials and supervisory personnel in various departments. Mr. Kumar, however, did not introduce Mr. Mathur as Industrial Engineer. Mr. Mathur was told that until Industrial Engineering became a full time activity, he should also look after an additional portfolio of planning. In fact, the routine of planning occupied more time of Mr. Mathur and industrial engineering assumed a subsidiary place in his activities.

In a couple of days, Mr. Mathur came across a communication which was addressed to Mr. Kumar as Industrial Engineer of the company. This greatly surprised Mr. Mathur as it was his understanding that he was the only Industrial Engineer heading the department in the company. He was very much upset over this. But fortunately, in a couple of days, Mr. Kumar informed him that prior to his (Mathur's) joining Mr. Kumar was designated as Industrial Engineer. Actually, Mr. Kumar was working as Production Engineer.

Gradually, through the inquisitiveness of employees and the activities of Mr. Mathur, many persons came to know that Mr. Mathur was appointed as Industrial Engineer. In the daily meetings meant for reviewing production and other activities of the companys Mr. Mathur was not introduced. Many persons were wondering how a very young person like. Mr. Mathur could come as the Head of Industrial Engineering Department. They were wondering about his qualifications and his previous experience.

Mr. Mathur felt that as he was not introduced very properly to the personnel of the company, he thought that he should show more initiative and be a little aggressive so that his department could make a significant headway. To his surprise and annoyance, however, Mr. Mathur found that he was not getting an encouraging response and willing co-operation to the new thinking and techniques that he was seeking to introduce. Some of the Departmental Heads

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

had also not liked Mr. Mathur reporting to the Works Manager, Chief Engineer and Directors on certain matters directly. They were becoming rather sceptical and cynical both of the Industrial Engineer's function and of Mr. Mathur. They were wondering how Mr. Mathur was competent to comment on their efficiency and that of their departments, particularly when some of Departmental Heads were working with the company almost since its inception. The relationship between the Industrial Engineer Department and the other departments was therefore not very happy and harmonious. The Managing Director viewed the situation and was wondering what he and the organisation should do to remedy the situation.

Critically comment on the case.

CASE 47

COLLABORATION

An established company had to decide about entering into collaboration with a foreign company for a new manufacturing project.

On one side, thinking that there was no harm in approaching various foreign companies for the purpose in any case, the management approached a number of companies; and due to the reputation of the company, two of the most reputed companies of Europe agreed to enter into collaboration with it.

On the other side, based on the same thinking, a half-hearted attempt was made to get Government's view on the proposed collaboration. As already there was one company in India manufacturing the same products, initial reaction of the Government was unfavourable.

The Managing Director was weighing the difficulties of getting Government's approval, the legal complications, and the royalty fees to be paid on one side, and certain advantages of collaboration on the other, and was vacillating between the two alternatives. He would sometimes say that we could implement the project with local talent without any foreign help, and at other times plead strongly for collaboration.

In this state of mind, he went abroad and had discussions with prospective collaborators which were highly encouraging. But after coming back somehow the idea of collaboration was dropped and he assigned some reasons for doing so, which his associates and subordinates did not find convincing at all.

Analyse the case and suggest solutions.

CASE 48

SARVODAYA STRUCTURALS LIMITED

Sarvodaya Structurals Ltd. was engaged in the fabrication of heavy structurals. The company had six shops besides engineering, accounts, personnel, sales and administrative departments. It employed 7000 men. The chief executive of the company was the General Manager.

In one of the shops employing 1000 men, 900 tons of structurals were fabricated every month. The day-to-day management of the shop was entrusted to the Manager who was assisted by the Senior Foreman. The three main sections of the shops were Preparation, Marking, and Finishing.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In the Marking and Finishing sections, the work was supervised by two foremen each. The Preparation section was under direct supervision of the senior foreman, who, in addition, planned and co-ordinated the work of all the three sections. The Preparation section was responsible for the collection and classification of work orders, for reading intricate machine and structural drawings, determination of priorities for execution of orders, checking bills of materials and processing raw materials for fabrication. This section had 200 men on the rolls.

In 1961, the shop started receiving heavy orders and as the work load increased considerably, the senior foreman was unable to cope with it. On the Manager's recommendations, the General Manager sanctioned two new posts of foremen for the Preparation Section. Two Progress Incharges attached to the Senior foreman were thus rendered surplus and their principal work, namely, reporting progress of work in the shop, was transferred to the production planning department. This action of the General Manager had the concurrence of Manager. The incharges themselves were not transferred to the Production Planning Department, as this had its own departmental men to take care of this work. They continued on the rolls of the shop, awaiting orders for transfer vacancies of equivalent grade in other shops.

The minimum qualifications for the recently created posts of foremen, prescribed by a Joint Committee, were a diploma in engineering and five years' experience in a structural shop. The posts were advertised for in the organisation but none of the applicants was found suitable for appointment. The in-charge concerned who were non-matriculates, did not apply, as they did not possess the prescribed qualifications. The post therefore, were advertised in the press. Three outside candidates applied. Only one appeared for the interview and he was not considered suitable for appointment.

In case of two surplus In-charges did not come within the purview of the grievance procedure in operation in the company. as it involved a change in the minimum qualifications prescribed for the post of foreman. As, however, they were powerful members of the union executive, the secretary of the recognised trade union took up their case for appointment as foreman with the General Manager. The union secretary argued that they had been doing part of the foreman's job before the posts were created and, in the absence of suitable candidates they should be preferred for promotion.

The General Manager maintained that the men concerned were not qualified for the posts and did not possess the technical background, required to perform the foreman's duties. The written description of the posts of Progress Incharge and foreman prepared by the Joint Committee indicated that the job content of the former was only about 25% of that of a foreman, and only on administrative side. They did not supervise the work of the preparation section in any way, where there were 'mistries' in line for promotion. The latter, though good in their own area, could not be promoted as they were not technically qualified to hold the higher position.

After prolonged discussion, the General Manager conceded that in the circumstances the In-charges would be given an opportunity to prove their fitness for the job. It was also agreed that in the place, test specifications for the posts of foreman would be worked out by a Joint Committee and given to the men concerned. If they wished, they would also be given guidance for a period of three months to learn the job. They would then be subjected to a test by Training Officer and if they passed the test, they would be promoted to foreman.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Manager communicated this decision to the Senior Foreman in the presence of the two men. He readily agreed to give them the necessary guidance whenever they requested it. However, they mentioned that 'the decision was not only to give them guidance when asked for, but full time training and guidance in order to enable them to pass the test'. On hearing this, the Senior Foreman remarked, 'I have no one to spare primarily for the purpose of training them to pass the test'.

Analyse the case and suggest the solutions.

CASE 49

FRUIT PROCESSING UNIT

I feel that production at our factory has never come up to management's expectations for several reasons. One of these is heavy absenteeism, for during the agricultural season the factory workers stay at home to cultivate their own land. Since the worker is also a farmer there is no dearth of food, and his factory job only provides him with liquid cash. Because he does not depend upon factory wages alone, the factory worker takes things easy, which results in a situation of chronic absenteeism in the factory.

About six years ago, within the same factory compound, a fruit processing unit was also added by the company. The jobs in this unit are seasonal, that is, only during the fruit growing season does it work to full capacity. The unit employs 22 workers. All of them are given semi-skilled grade E jobs. During the season, besides the bottling of fruit products fruits juices are also filled in wooden cases and stored up, so that in lean periods, they could be bottled. Some of the jobs done in the unit are peeling fruit, extracting juice, boiling juice and other ingredients into syrups or jams, bottling, capping labelling, storing and keeping the premises clean.

During the lean period the major portion of all these jobs comes to an end and therefore part of the work force is transferred to the soap plant and allied sections, to make good labour shortages which occur there.

However, a small portion of workers who remain in the fruit processing plant are given light jobs, such as keeping the premises clean, rolling the barrels and so on. The only exceptions are the two workers who are engaged in filling and capping bottles. They have an obvious job title - Bottle filler and Capper. All the workers in fruit processing unit are permanent employees. When these two workers - Bottle Filler and Capper see others having an easy time, they become disgruntled and demand higher wages or that others do the filling and capping jobs as well. They cannot be given higher grades. Because in the soap factory people doing almost similar jobs are in E grade and they too, would then claim higher grades. Because in the soap factory people doing almost similar jobs are in E grade and they too, would then claim higher grades. The other workers cannot be made to do these jobs because production would suffer. The bottle filler and capper have done the job for years and have attained great speed in doing it. Others cannot match the speed.

I first cajoled those two workers and also counselled them, but without success. Finally, I threatened them with punitive action. This has only resulted in a 'go-slow' response from them. I am faced with a dilemma. I am convinced that so far as my unit is concerned these two workmen's demands are just and fair since the work load on them is definitely more than on the others in the unit and also their jobs are more skilled than that of the rest of the workers there. However, in the context of the entire factory, their demands cannot be conceded.

Analyse the case and suggest the solutions.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

CASE 50

METHODS OF MANAGEMENT

Managing Director of a large company had risen from the ranks and expanded the company from small beginnings. As a result, his methods of management were ad-hoc. He often expressed keenness for modern methods, though people found he did not mean it, or at least could not sustain it.

In the beginning, he had General Managers who were primarily administrators, who worked under his close guidance. When his organisation expanded, he took better men from outside or promoted good men from within, on the basis of his extreme liking for them personally as well as managerially. However, it was observed that after he appointed a General Manager, he would give more importance to Managers at levels below his next man, say Deputy General Managers, or Departmental Heads, and some of them would become his favourites. This created tensions and affected the smooth performance of the organisation. And while the organisation expanded, the Managing Director always complained, "he had not had really good men and he had to do everything himself."

Discuss the issues and suggest suitable remedies.

CASE 51

STRONG AND SOLID FABRICATORS LIMITED

Strong and solid Fabricators Ltd. had seven shops in which 7000 workers were employed. The General Manager was the chief executive of the company and the day-to-day management of each shop was entrusted to a Manager.

One of the shop employing 1000 men had three sections. The Marking and Finishing Sections had two foremen each. The Senior Foreman directly supervised the Preparation Section, in addition to the overall supervision of all the sections.

The shops received heavy orders in 1961. The Senior Foreman's could not cope with the heavy work load. On recommendation of the manager, two posts of foreman were sanctioned to the Preparation Section. Two Progress-Incharges working under the Senior Foreman became surplus as their main task of reporting progress of work was transferred to Production Planning Department. They continued on the rolls of the shop awaiting orders for transfer.

The In-charges did not have the minimum qualifications prescribed for foreman's post. Suitable persons were not available from within the organisation or through advertisements.

The In-charges were powerful members of the union. The union secretary took up their cases with the General Manager for promotion, pleading that they were doing part of the job. After prolonged discussion, it was decided that the in-charges should prove their fitness for the job by giving a test formulated by the joint committee. If they wished, they would be given guidance to learn the job. They would be promoted if they passed the test. The Senior Foreman agreed to provide them guidance.

The in-charges, however, maintained that the decision was to give them full training to pass the test. The Senior Foreman then said, he had no one to spare for training them.

Discuss the issues and suggest suitable remedies.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 52

SUBSIDIARY COMPANY

A subsidiary company of a large industrial group was not doing well. And everybody, including Directors of the subsidiary as well as the parent company, was dissatisfied, but there was considerable amount of fault-finding and 'Post-Mortem' discussions, rather than constructive decision-making.

The Director of the subsidiary company took some outside advice and the working of the company was analysed. It was found that the responsibility for a substantial part of areas of dissatisfaction was primarily with the parent company and its management, and quality of decision-making at the policy level of the subsidiary also was poor. In general, this diagnosis was found to be true for the working of the parent company itself, and was reflected in the image of the company and the management before the shareholders, the Government and public circles in general. The Chairman of the subsidiary company was pleased with the diagnosis and took up the matter with the parent company.

However, the discussions at the policy level of the parent company did not bear fruit, and the issue was 'settled' merely by a general indication that the subsidiary company, if necessary may be disposed of or handed over to another group for running. This put the Subsidiary Board and Management on the defensive. The Chairman resumed his original fault-finding habit with the Executive Director, the Manager etc. and which turn caused a considerable amount of frustration and setback to progress and enthusiasm generated by analysis of the responsibilities and remedial measures evolved, which were largely agreed upon before taking up matters with the parent company.

Discuss the issues and suggest suitable remedies.

CASE 53

PRODUCTION MANAGER AND PERFORMANCE

A developing organisation appointed a General Manager to take care of the increasing business. The order backlog was increasing substantially. The new manager felt the Production Manager was not a capable man and appointed a new Production Manager. As per the previous set-up, the Inspection Department was reporting to the Production Manager since it was found convenient to effect coordination. In six months, production increased appreciably. Shop Inspection was restricted to dimension checking and to major specifications. The performance tests could only be carried out on site after erection.

The machinery was dismantled for despatch which was then assembled and erected on site by the Erection Division. Erection was placed under Sales for maintaining proper liaison with the customer. Usually, there were complaints from Erection Supervisor about irregularities in manufacture which came in the way during erection.

After a short working of the machinery, complaints came from the users about non-satisfactory performance. In many cases, the post-mortem was difficult. The damage was of such nature that the reasons could be attributed to production quality as well as to lack of erection care. Sales would blame the Production and the Production would blame Erection. In the process, the Company suffered considerably.

Discuss the issues and suggest suitable remedies.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

CASE 54

WORK PERFORMANCE

The Management of a company strongly believes in the Western ideology of work performed. It believes that a healthy body can give better work performance quantitatively as well as qualitatively and further that the healthy body is an asset to oneself. As such the Company Management has laid down the minimum physical standards for recruitment purposes.

In spite of the fact that minimum physical standards were strictly observed at the time of recruitment, the personnel did not keep up the same health after working for 6 to 12 months. Under these circumstances, the Company Management started to think of such means which would accelerate the implementations of their ideology.

At present, almost all welfare activities directly relating to the upkeep of their health are available to them, including unlimited nutritious food during lunch hour, twice free milk or tea, uniform allowance around 50-paise per day per person and above all sports facilities in which the Company Management is mainly interested.

It is the earnest desire of the Company Management that each and every employee should participate either in P. T. or Sports. As an incentive, the Management gives 25 paise daily P. T. allowance, Re. 1/- match players and free special transport. However, there is no good response from the workers' side. As the incentive has not proved sufficiently fruitful, the Management has thought of another device. The other device is that the employees who are not actively participating in this field of activity or any other are confidentially advised to take keen interest (twice a year). At the outset, the response is somewhere around 90%, but as days pass the response decrease and comes down to 60 %. However, the Company Management is not sorry for the poor response it receives by adopting different devices, but it always hopeful than in one or another way it will get 100 % response.

Discuss the issues and suggest suitable remedies.

Analyse the problems and suggest suitable remedies.

CASE 55

JOB ORDERS FOR FABRICATION

Due to the crash programme of manufacturing components, because of the shortage of foreign exchange and low priority given to the industry, all departments had to gear themselves to perform their portion of the work expeditiously to fulfil the target dates set by the Import Substitution Committee.

The tool design section of the company for designs tooling to the fabricated, and for successful implementation of the programme, it was necessary to secure the active participation of staff, so that the company's goal would also become the staff's goal.

The urgency of the programme was discussed with the Deputy and Assistant Superintendents whose active participation was sought, and they, in turn, impressed upon the Asst. Engineers, the Jr. Designers and the Draughtsmen to see that the target was achieved, as far as the designing was concerned.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

There was a proper feed-back of the progress and close scrutiny was maintained. Where certain sections were lagging slightly the staff and adjusted to make up for the lag, and the concern was there to establish a good name for the department.

Even the clerical staff was motivated by revision of grades and the whole project was taken up in a spirit of challenge to complete the task as per schedule.

The departments concerned with other work like taking out prints, estimating and issuing job orders were also followed up with vigour, though the printing machines used to break down frequently and upset the apple cart. Permission was also obtained for issue of job orders against job requests to expedite the release of job orders for fabrication.

In the final outcome, it was found that the job orders for the designs were released on the target dates for 80 % of the items, and the balance job orders within a week afterwards, thus illustrating the acceptance of the goal by the department and their active participation.

Discuss the issues and suggest suitable remedies.

CASE 56

RAMESH'S DEFICIENCY

Mr. Ramesh was one of the three-operatives forming a group. He became less and less effective in co-ordinating the controls, with the result that the number of billets rolled per hour in his unit dropped. His supervisors were however satisfied that there was no deliberate attempt on his part to slow down operations. They could attribute this fall in performance only to his advancing age. His two colleagues were 35 and 40 years old.

As the unit's production continued to suffer and upset the production schedule of the subsequent units, the departmental manager felt compelled to take action in order to remedy the situation. He, therefore, recommended to the General Manager that Mr. Ramesh be replaced by a younger operative.

The General Manager delayed acting on this recommendation. He was aware of the fact that about 35 % of the employees of the company were over 50 years old and that Mr. Ramesh was not the only operative creating a bottleneck in the organisation. In considering the proposal, he came to know that as the three operatives worked on the rolling gallery in close proximity, they had developed an intimate group feeling. Since the working group was small and the nature of their work involved separate manipulation of controls, they were unable to cover up Ramesh's deficiency. When they came to know that there was a move to replace him, they and the other operatives were greatly perturbed, feeling that it might happen to any of them. The general feeling was that it was unfair to replace an old employee when he had given the best years of his life to the organisation, especially when viewed against the liberal tradition of the organisation. If the working group had been larger, management might not even have been able to detect the deficiency of an individual operative, much less penalize him. There were supervisors, in the organisation who were not totally physically fit for their jobs, but management had taken a sympathetic attitude in their case.

The recognised workers union was also in sympathy with Mr. Ramesh and knew that the workmen, as a whole, were against his replacement. The matter, therefore, came up for consideration at a meeting of senior executives presided over by the General Manager. The

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

General Manager expressed the view the replacement of Mr. Ramesh by a younger, trained operative might not be the best way of handling the situation. It would create a precedent and make it difficult for management to turn down similar requests from other departmental managers, when older employees could not contribute fully towards achieving optimum production. The union would also not agree to such a proposal. He pointed out that about a third of the employees of the company were over 50 years old and it would be next to impossible to implement such a replacement policy, when the normal retiring age was 60. The Personnel Officer, who was present, expressed difficulty in rehabilitating old operatives rendered surplus, in other departments of lighter jobs, especially when such placements would block the promotional opportunities of men down the line in those departments. Operatives with specialized skills might not be able to adjust themselves to new jobs or develop new skills at an advanced age.

In the discussion that followed everyone was of the view that the problem posed by Ramesh's ineffectiveness was serious enough to warrant the formulation of a definite policy to deal with this and similar situations that might arise. The question was, how to evolve a resonable policy that would satisfy all the principal interests concerned.

Analyse the problem in the case and suggest suitable remedies.

CASE 57

COMPANY SECRETARY

A few years ago I had an opportunity to interview an undergraduate stenographer, then employed as a P. A. to a Technical Director. His ambition was to become a Company Secretary in a reputed organisation. His salary expectation was around Rs. 1000/- p. m. at the age of 35 years.

I found during the discussion that :

(a) his financial position was average

(b) he was staying with his married brother who had three children and only two rooms

(c) he had a father and mother who were regularly sent financial assistance and

(d) his work of typing and attending a Director was exhausting him and at times unnerving him.

On the other side :

(a) he was very hard working;

(b) evening colleges had started then where he could resume his study.

(c) his factory timings were such that he could take advantage of college facilities; and

(d) he had a senior officer who was not only enlightened but also encouraging.

Within two years, he graduated with Economics and then did his Commerce degree course followed by a Law degree in another couple of years. He purposely specialised in general subjects like Economics, Accounts and Law, so that he could take up an administrative job and preferably secretarial work. He found that he did not have enough opportunities in the organisation which gave him all the facilities, enlightenment and encouragement to come up in life as a successful man. He reluctantly left the organisation and took up the post of an assistant in a pharmaceutical company where he is now a Manager.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 58

FOUNDRY MANAGER'S CASE

This case concerns a person who is now Foundry Manager of a light engineering firm in Punjab.

Six years ago, he joined the same concern in the Foundry Department as an Apprentice Engineer, fresh from college. He had been a good student and had sound technical knowledge. He was quick at learning the various points of his job and he impressed his seniors as being a competent young man who was prepared to accept responsibility and could be safely entrusted with it. He himself was not over-ambitious and knowing that the firm was a fairly conservative one, he did not harbour expectations of any spectacular promotions, etc.

But things moved differently. Due to unforeseen circumstances, his immediate bosses who were Germans from the collaborating firm left earlier than expected and there were sudden vacancies.

In a couple of quick promotions, he found himself Foundry Manager within a matter of 4 years of his joining.

And now there occured a subtle change in his manner of thought. He began to discover the difference between doing a good job himself and getting a good job done by others. His own technical know-how was not very helpful here. He discovered that technical advice to certain of his subordinates was interpreted as interference in their work. Production targets and schedules he now made, and which he was confident, he would have been able to carry out himself, could not be met by them.

In his zeal to achieve results, he started making decisions for them and in certain cases by passed their suggestions and authority. All this built up a good deal of resentment in the engineers below him, and they resorted to indirect shortage of his plans.

Workers and foremen were puzzled by contradictory orders. Labour morale went down and production slumped. He felt puzzled and regarded his subordinates as incompetent and useless. He still does and when last heard was on the lookout for a new job.

Analyse the case and suggest solutions.

CASE 59

MANAGING BUSINESS

Sunil was born in a well-to-do-middle-class family. He took good academic education in the U.K. and returned to India.

Sunil developed a product in a small shed and marketed it locally on a small scale when he was still in service. When the profit from the same sale of his product was nearly equal to his salary, he quit his job and went wholly into a business on his own.

Initially, he had a lot of difficulties. He blamed these on his past employers because he thought they were out to make life difficult for him. Later his business improved a little. But he then had to face difficulties in raw materials. He was straightforward and did not believe in bribing officials to get import licences. He bought his materials from the open market at high rates. This reduced his profits. He then applied for import licences and got them after some

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

effort. His business and profits improved. Throughout these years, he managed the show entirely by himself. He was under the impression that nobody else knew his company's business as well as he. He was very sceptical about taking advice from others.

His firm is now doing reasonable well. But his close circle of friends and relatives think that his business could have been much bigger and more profitable he had the initiative and foresight to expand and take outside help whenever necessary. Other people who went into business at about the same time have grown much bigger than he. When this subject comes up for discussion at any time, Sunil's standard answer is that he is not out to amass money. He wants sufficient profits to provide for his family which he has done. If his ambition was to amass wealth; he says he could have easily done that.

Analyse the case and suggest solutions.

CASE 60

ENGINEERING INDUSTRY

The head of a large engineering industry was very keen to raise production quickly because it involved a large investment which was not yielding adequate returns. After a lot of trial and error, when he got frustrated, he took the advice of some friends wellversed in such matters.

He accepted much of their advice but not about the appointment of a Personnel Manager. Among his suggestions, there was also a recommendation about fixing grades for various people.

The entrepreneur had earlier indicated great keenness to give liberal grades, but when the actual time came, he gave grades which extended only a couple of years beyond the present salaries of senior people.

Also while grades were fixed up and letters were issued to that effect; no increments were given in the following year as promised in the letter.

The engineers and other executives could not remind him about this as it would not be looked upon with favour. However, some people did do so, but to no effect. Two of the middle level Engineers/Technologists/Executives left. Senior men were feeling uneasy due to stress and strain but did not leave; it was a specialised industry and they would not have easily got a job at a comparable level elsewhere.

Analyse the case and suggest solutions.

CASE 61

IRON AND HARDWARE COMPANY

A large company dealing in iron and hardware was interested in started a small industry as a side line. They came across a young engineer who had some ready plan for starting the manufacture of solid drawn brass and copper tubes without the use of an extrusion press.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

A small factory was started with about 50 to 60 workmen. After some initial troubles during the first year, the industry started giving a steady profit to the owners to the extent of 15% to 20% of the turnover which was considered satisfactory.

During the war period there was acute shortage of copper and therefore, a suitable quota of ignots and rods was obtained through the Government authorities as assistance to protect the industry. With the advice of the engineer, the owners on one occasion had purchased a lot of old pipes of various larger sizes from some scrap dealer and converted them into small sizes, on demand by redrawing without much labour and wastage. This process obviously give very good profits. With this experience, the owners sent their purchase men all over the country to acquire a large quantity of old pipes of bigger sizes and considerably, reduced the normal manufacturing from ignots and rods and started disposing of the raw materials received through the control department at very high rates.

As a result of this, the engineer and a couple of foreman dissociated themselves from this industry. Time soon came when old pipes were not easily available nor were copper rods or copper material available through the Government Control Department at controlled prices for obvious reasons. The result: this small industry which was perhaps new in its type and was yielding reasonable profit, had to be closed down.

Analyse the case and suggest solutions.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART III
THE CASE STUDY EXERCISES

SECTION II
CASE STUDIES IN HUMAN RESOURCES MANAGEMENT

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

SECTION II
CASE STUDIES IN HUMAN RESOURCES MANAGEMENT

CONTENTS

Case 1	Majority Union and Minority Union
Case 2	Usha Steels Private Limited
Case 3	Food Processing Industry
Case 4	Latif Trading Company
Case 5	Damodar Electric Supply Corporation
Case 6	The Dilemma of Mr. Hardik
Case 7	Management Development Programme
Case 8	Promotion of Mrs. Smita Desai (An Employee)
Case 9	Motivating the Sale Force
Case 10	Indram Engineering Works
Case 11	ABC India Limited
Case 12	Mr. K. Kishor
Case 13	A Collective Agreement
Case 14	Modern Textiles Limited
Case 15	Uday Engineering Complex
Case 16	Sunflower Bidi Company
Case 17	Domestic Electrical Appliances Limited
Case 18	ABC and Company Limited
Case 19	"Hindustan Industries"
Case 20	Beseler Electronics (Training Course)
Case 21	Bob Jones (Problem of weekly hours)
Case 22	Sharma's Case
Case 23	Pierce Manufacturing Company
Case 24	Marketing Engineer
Case 25	Interveiwing procedure

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Case 26	Eagle Auto Parts Company
Case 27	Suresh Kadam
Case 28	Communication
Case 29	The Excelsior Department Store
Case 30	M/s. Prakash Tubes Limited (Industrial Relations)
Case 31	M/s. Narmada Cement Works
Case 32	ADWELL Advertising Agency
Case 33	Management Development Programme
Case 34	Reliable Enterprises
Case 35	Global Gambit
Case 36	Uptron Electronics Limited (Which is more Important – Recruiting or Retaining ?)
Case 37	Madras Fertilisers Limited (Trust the Tests)
Case 38	Hi-Tech Fertilisers Limited (Whom do you satisfy ? The young or Old ?)
Case 39	Coromondel Cements Limited (Twist Vs. Trust)
Case 40	Unwanted Promotion
Case 41	Job Specification
Case 42	Plan for Original or Back-up (HRM Planning)
Case 43	Kalyani Electronics Corporation Limited (Unwanted promotion).

CASE 1

MAJORITY UNION AND MINORITY UNION

A public sector financial corporation with a standing of over 25 years is having its branch office in different cities. It has a total strength of about 500 officers, 300 clerical staff and about 800 subordinate staff members.

The corporation is having six different zones for the sake of convenience and each zone is having a separate officer looking after general administration of that zone and staff problems.

There exists two separate unions in the organization. One union is having overwhelming majority all round and the other union is having fifty per cent majority in one region and meagre following at central office. The Central Office Administration is manned by Chief Administrative Officer, two senior assistants and other three junior officers. It has clerical strength of 25 clerks and 5 subordinate staff members. Besides looking after daily problems at Central Office, the department is coordinating work of the above six zonal offices.

The minority union has come out with a complaint about the clerical staff from Central Office Administration that since all of them are members of the majority union, they are giving favourable treatment to the members of their union and are purposely harassing the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

members of minority union in case of transfer and all such staff problems. The Chief Administrative Officer convened a meeting of his staff over this issue to ascertain the facts. When he posed this problem before the staff members, they argued and refused the charge of favourable treatment to a particular sector of employees.

The staff members put forth the following arguments. They stated that with their posting in the General Administration Department, they are even criticised by their own union. They accepted that even some of the points of administrative arrangements raised by the majority union could not be attended by them in many cases and hence the charges made against them of favourable treatment by the other union are baseless. They further stated that the minority union is having a very low membership as compared to majority union and a few cases of inconvenience to some staff members are wrongly interpreted by them (minority union) or a purposeful action on their part. They also put concrete cases of convenience considered in the case of staff members belonging to minority union.

Your opinion is sought by the Chief Administrative Officer to sort out the issue. What guidelines do you expect him to give to his staff to avoid such problems in future ?

CASE 2

USHA STEELS PRIVATE LIMITED

Usha Steels (Pvt.) Ltd. founded 15 years before by Mr. B. K. Rao was having a booming time. At that time, Mr. Rao, worked both in the office and in the factory and knew his men and they knew him. Production standards were always maintained and labour turnover was practically non-existing. As the business mushroomed, the number of employees had progressively increased. Thus, Mr. Rao's greetings and conversations with his workers became less frequent. In fact, he had so many things to do, that he could no longer supervise the factory. Thus, he hired another man, Mr. Gole as a plant superintendent. At this time though the number of workers increased to about 500, labour turnover and absenteeism increased along with the labour cases. The only thing that decreased was productivity. In order to meet the situations, Mr. Rao granted substantial increase in wages – which were already high and made some arrangements for incremental earnings based on merit rating and seniority. Yet labour turnover and absenteeism continued at a high rate. On investigation, it was found that the new plant superintendent, lacked the patience and understanding which is necessary for dealing with the employees. When something was found wrong, he was scolding the employees but no attempt was made to find the cause of faulty work. Meanwhile, labour unrest developed. The workers began to complain about working on Saturdays and not having either time or facilities to change from work clothes to original dresses after work, about toilet facilities etc. Some of the claims were not found sufficiently justified or easy to meet. Mr. Rao offered the workers as a compensation, a new rise in wages with more liberty in allowing vacation time all of which the company could well afford.

Questions :

(i) Were the steps taken by Mr. Rao right ?

(ii) What do you think he should have done in order to improve the situation ?

Source : Case studies in Human Resource Management adopted from University Examination paper.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bastalab Jammu

CASE 3

FOOD PROCESSING INDUSTRY

XYZ Ltd., is a food processing industry. The company employs 22 workers. Earlier the company had in its own employment a sweeper, who maintained the cleanliness of the entire company including that of the toilets. This sweeper resigned for personal reasons and in a hurry the personnel officer employed a new sweeper.

The new sweeper worked diligently. But the day he was asked to clean the toilets, he refused to do so. He said he was prepared to do any cleaning work except cleaning of the toilets. In the meanwhile, the workers had joined the XYZ employees Union. The personnel officer called the union leaders for discussion on the problem to resolve the impasse. The union leader contended that the workman was employed as a 'sweeper' and not a 'wet sweeper'. While joining work, he was not told that he would have to clean toilets. He was a diligent worker, but he was not prepared to do work like cleaning toilets. The management was asked to employ another 'wet sweeper' only for cleaning the toilets. The union was threatening to call a strike, if there is no settlement of the dispute.

The management contended that hygiene is very important in the food processing industry. The earlier sweeper had done all the work including cleaning toilets. Employing an additional 'wet sweeper' was beyond the financial capacity of the company and anyway there was no enough work to be given to him throughout the day.

Questions :

(i) What do you think of the manner in which the new sweeper was recruited ?

(ii) What is the attitude of the union, the new sweeper and the personnel officer in this case ?

(iii) What is the way out of the current impasse ?

(iv) Give a suitable title to the case.

CASE 4

LATIF TRADING COMPANY (DISCIPLINE)

'Latif Trading Company' has its office on the first floor of an office building complex situated in a posh business area in Calcutta.

Latif Trading Company has a complement of 70 persons. All the seventy workmen have desk-jobs and have a work schedule of 9.30 a.m. to 4.30 p.m. with a lunch interval between 12.30 p.m. and 1.00 p.m. Attendance of the staff is generally punctual and satisfactory.

The Management has laid down a Rule, which expects every employee to be at his desk at 9.30 a.m., the opening time of the office. The Rule also provides an adjustment of 10 minutes for occasional late attendance due to traffice jams, non-availability of public transport etc. Another rule specifically mentions that late attendance on 3 days in a month would automatically lead to debiting of one casual leave. This practice is in vogue for years together in the company.

The Rule is being observed generally.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

One day Shri Promothesh Dasgupta, an employee of the company, who had earlier reported late twice, attended at 9.45 a.m. i.e. 5 minutes even after the grace period. He was accordingly marked late by 15 minutes and since this was his third time in one month his leave account debited to the extent of one day's casual leave as per the present rule. This was the normal practice in that office and Office Superintendent used to take action suitably. As was the normal routine, the Office Superintendent sent a note to cash section, which maintained leave records of the office staff, instructing to debit one day casual leave against Shri Promothesh Dasgupta's leave account.

Shri Promothesh Dasgupta is an average worker with no bad record. He is a member of the executive of the Trade Union functioning in the establishment.

The General Secretary, who is also an employee, came up with a demand saying that Shri Promothesh Dasgupta was late by five minutes only on the third occasion and therefore should not be taken as late on three occasions and one day's casual leave debited to his account should be restored to him.

The Management did not agree. Management stated that even on the third occasion he was late by 15 minutes and not five minutes as claimed. The action taken by the Management is strictly according to rules and also justified in the context of past practice as well as office discipline.

General Secretary of the 'Latif Trading Company Employees Union' called a General Body Meeting on the same evening to protest against the action of the Management in debiting one day's leave. He further stated in the Meeting that Shri Promothesh Dasgupta is an Executive Member has a good service record and the Management therefore should not have taken action against him. Delay of five minutes was hardly anything and definitely not punishable enough to debit one full day leave. General Secretary wanted all employees to unite and fight against high-handedness of the Management. The employees agreed to follow strictly, instructions of the Union Executive and promised to back them up till last.

On the following day, none of the employees entered the establishment. Normally they would walk in and sign the muster and mark the time. By and large everyone would be at his desk before 9.40 a.m. which included grace period of 10 minutes granted by the Management. The employees, however, formed a queue from the door till the main road sharp at 9.30 a.m. and started marking time and signing the muster kept near the office door one by one. The process took naturally a long time and by the time the last employee had signed the muster it was already 10.15 a.m.

On enquiry, the Management was informed by the General Secretary of the Latif Trading Company Employees Union that everybody would attend sharp at 9.30 a.m. but since the office door is too small they could not obviously enter all at one time. Further each has to mark the time and sign the register and as such they have to come in one by one in a proper queue.

The employees marked the time correctly even if it was beyond 9.40 a.m. with a note that they were within the premises of the company even before 9.40 a.m. which was permissible time, but could not be at their desk, as the small entrance and the muster signing rule won't permit them to rush. They had to, therefore, enter one by one, sign the muster and fill in the actual correct time of signing the muster, even if it was much beyond the permissible time i.e. 9.40 a.m.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Recording to the employees the time noted was the time they signed the muster and they claimed that they were present, in fact all of them, on door at 9.30 a.m. in the office premises of the Latif Trading Company.

The Management overlooked their strange behaviour (which was described by the Manager as a "childish prank" and immature behaviour fit for ignorant crowd) on the first day with the hope that everything would be well on the days to come and they would follow their usual practice of reporting to work. Management was grossly disappointed. The employees persisted and it was a strange farce (popularly known as 'ZHAMELA' in Calcutta) all around the area and particularly in that building, which was a big office complex and accommodated many business houses. The situation, obviously, was very embarassing to the Latif Trading Company.

It must be said to the credit of the employees that there was no demonstration, no slogan-shouting and but for their queueing up and marching one by one in the office for signing the muster in the morning the work went on well, in fact even better, once they, reached their allotted desk. 'The single file march' was so well organised by the Union, that out of seventy employees at least ten to fifteen would sign the register after 9.40 a.m. everyday.

The Manager who had generally good relations with the General Secretary of the Union, tried to find out as to what the Union actually wants and what would bring back normalcy in working of the company. Through a common friend the Management was informed that the Union desires that Shri Promothesh Dasgupta should not be marked late, as done by the Management and that his one day casual leave debited should be restored to him.

Management of Latif Trading Company were also informed by a letter, that Shri Promothesh Dasgupta was unanimously elected Assistant Secretary of the Latif Trading Company Employee's Union in the last Meeting in place of Shri Prakash Mitra who had resigned from the Executive Body of the Union.

Questions :

1. (a) Would you recommend disciplinary action and if so, what would be the change ?
   (b) Can the behaviour pattern of the employees constitute 'misconduct' as understood in industrial relations ?
2. Is there any special significance to Shri Promothesh Dasgupta being an Executive Committee Member earlier and his, then becoming Assistant Secretary of the Latif Trading Company Employees Union ?
3. Would you agree to the demand of the Union in view of the embarassing situation created for the company in that area of well known business houses. by the behaviour of the employees ?

CASE 5

DAMODAR ELECTRIC SUPPLY CORPORATION (OVERTIME POLICY)

The main business of Damodar Electric Supply Corporation is to supply electric energy to the entire district. The Corporation has a work force of 6000 employees, including Section Officers, Foremen, Tradesmen, Mazdoors etc. General Manager is the Chief Executive, having full authority on all matters of administration. During the last two years, the Corporation has come into financial problems due to economic recession. As such, to bring control on the expenses, the General Manager, has issued an unconditional order forbidding supervisory foremen to authorise over-time work under any circumstances.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

One day, a cable-laying workman was working inside a wet man-hole, in the marshy area near a river. About an hour before closing time he realised that he could not finish the job within the regular working hours. He, therefore, asked the supervisory foreman whether he could stay over-time, to finish the work. He estimated, that the work would be over within four hours more. The foreman having no authority to grant over-time telephoned the Section Officer at the Head Office. Section Officer, unwilling to breach the rule, contacted the Superintendent. The Superintendent in turn asked the Section Officer, to use his discretion. Section Officer conveyed the same message to the foreman. The foreman, however, still afraid of the consequences of over-time order. He, therefore, told the cable lay-man to wrap the cable securely and leave the work, to be finished the next day.

During the night, the river went on flood. Water entered the man-hole by the river-side and the 'cabling' was damaged.

The damage to the cable was corrected after many days, involving a great expenditure.

Questions :

1. Was the Corporation's Over-time Policy wrong ?
2. Does the 'Management-by-rule' restrict the initiative of the staff and suppress innovativeness ?
3. Under such rules, can there be a sense of achievement and job satisfaction for the subordinates ?
4. Do you feel 'No Rules Situation' can be advisable for a company ?
5. Recommend an Over-time Policy to the Damodar Electric Supply Corporation.

CASE 6

THE DILEMMA OF Mr. HARDIK

Mr. Hardik was working in an electronic company in Maharashtra. The Company had started with a small business covering one or two main places in Maharashtra. The Company acquired some new machinery and knowhow and expanded considerably in three years. Mr. Hardik who was working with this company for the last 15 years had done a very good job as a Zonal Sales Supervisor. He was dynamic, intelligent and was always on a move to have a regular contact with distributors, salesmen and retailors. He has improved sales in the area.

As the Company expanded, they had created a new job as a Market Research Officer under Marketing Manager. In this new job, Mr. Hardik has to spent a lot of time in the office and collect data from different centres regarding market intelligence particularly about the products of competitors, dealers and consumer reactions. He also had to help in sales promotion methods by himself, write a report every week to Sales Manager.

Mr. Hardik was recommended for the job and was accepted by the Sales Manager who had known him. Mr. Hardik who had only passed B.Sc. (Electronics) and obtained a Diploma in Business Management by an unrecognised institution, when this job was offered to him he had his own doubts as he did not have formal recognised degree and could not write reports in concise manner.

Mr. Hardik was advised to take this job on promotion and reported to Sales Manager. Mr. Hardik missed his old job where he used to be in contact with salesmen, distributors and retailers. In this new job, he submitted his first report. His Head of the Department suggested some changes which means that Mr. Hardik did not do the job well. The Head of the Department gave him encouragement by saying that he will have to learn about report writing in this new job.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Mr. Hardik thought that he was not good at this job and was better off in his old job. However, he felt that if he will ask the Management to send him back to the old job, it will be taken as a failure by the Management and he may not be considered for further promotions and also it will be a degradation for him.

Questions :

1. Analyse the dilemma of Mr. Hardik.
2. Comment on the Promotion and Posting Policy of the Organisation.
3. As a Personnel Manager, what advice you will offer to Sales Manager, Marketing Manager and Mr. Hardik ?
4. Give a suitable title to the case.

CASE 7

MANAGEMENT DEVELOPMENT PROGRAMME

A Chemical Industry, a multinational company identified a potentially lucrative market in chemical dyes and took the decision to invest in a new processing plant. This decision was taken after a Market Research Survey conducted by the company.

The company developed a collaboration with a foreign company which invested generously to build a modern chemicals complex.

Because of the collaboration, the company has to recruit high calibre team of scientists and technicians to build and commission the plant. After an extensive advertisement on all over India, the company recruited a General Manager and Chief Engineer who both had extraordinary record and talents. Their first task was to recruit and train new technical, scientific and engineering personnel who would eventually form a core team of an expanding and successful company.

In the initial years of 5-6, the company proved to be highly efficient and profitable and decision was taken to expand the business which called for functional specialised organisation, a new management structure. Since the company had a policy promotion within the organisation they promoted the original core team of technical and scientists who had built up considerable technical knowledge and expertise for the company. They are the assets of the company and company did not want to lose them.

After the expansion, the plant was working beyond full capacity and straining both the equipment and people. The overall levels of efficiency and quality were falling and costs were increasing. The managerial style became more autocratic, even confrontationals as the Managers banked upon to maintain existing performance levels.

A company now found itself loosing the market share as against the competitions who had attractive product range and invested in new technology. Many of the company's products were now becoming obsolete. This affected the pricing policy. They were priced high because of the high operating costs. The inventory levels were too high. The company was approaching a crisis. Simultaneously, it was having to reduce to costs, increase efficiency, invest in new technology, diversity into new market and establish the reputation.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

The concern of the General Manager was that despite his best efforts to motivate the Managers, change was difficult to manage and therefore performance levels were not improving.

A Board Meeting was called in which the General Manager presented a three year business strategy and the Group Chairman asked Mr. General Manager "Are you confident that you have got right level of managerial and commercial skills to set it through ?" There then followed a intense discussion and agreement was reached that one of the major factor to Company's problem was lack of commercial and managerial skills among the existing management team. They were lacking entrepreneurial, innovative and motivational skills necessary to deliver the required level of customer's satisfaction and quality.

The Board took the strategic decision to embark upon a management development programme which should be highly professional to stand in today's competitive business environment.

The General Manager was left in no doubt by his fellow Board Members about changes they expected to see in the management teams.

The General Manager asked the Personnel Director Mrs. Rajdhar, who was an engineer and taking responsibility in various aspects of Personnel Administration to prepare a managerial development programme. She discussed this with most of the Managers and employees in the Company. Most of them trusted her and valued her opinion on a range of issues. After an informal discussion she found that it was the neglect of people issues and style of the Managers.

The Personnel Director prepared a detailed plan and presented to General Manager. He expressed his concern to the Personnel Director that the Managers have to spend considerable time out of their work places in a local management institute. He asked her to modify the plan. After a week, she came with the modified plan and the General Manager accepted it without any reservation who in turn presented the plan to Senior Management team and this plan was approved.

The Personnel Director decided that a number of short term in-house programmes would give the Junior Managers the essential skills to manage. The urgent priority was to improve the relationship between some Managers and their teams. So a programme on team building was arranged to form a new co-operative spirit.

The Personnel Director wrote to all the middle level Managers explaining that she had been in contact with the Local Management Institute and she pointed out that Course would lead to them a recognised national qualification in management and the company would provide full financial support.

The Personnel Director turned her attention to the Human Resource Systems and Procedures in the company. The performance appraisals system was updated. A series of workshops were organised in which all the Managers including the Senior Managers received a practical training in appraisal skills. Other areas of improvements were included such as introduction of new discipline and grievance procedure, a staff handbook, alterations to selection and induction procedures.

In the first few months, the things went well. A phone call was received by the Local Management Institute expressing concern at the poor level of attendance and the attitude of some people who appeared to be "antitheory" especially when it come to subject areas that dealt

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

with "management of people." Some also appeared to be resentful of the time they were having to spend in the classrooms, producing assignments etc. When the Managers returned to the work place they faced a considerable backing of technical problems compounded by the need to commission a new section of the plant to produce a new range of dyes for the emerging market. Production was already three months behind schedule. This was mainly because of poor design installation errors and poor operator training. On the top of this, Processing Managers were coming under intense pressure from the Sales Department. They had to "get it first or else".

The Personnel Director was worried more when she received excuses from the Managers for conducting the performance reviews and were avoiding it.

The consultants who conducted team-building workshops brought a disturbing information to Mrs. Rajdhar. Consultants were astonished to discover the existing gap between those who were managing the teams and their senior management colleagues who were accused of being more autocratic, remote and uncaring. The consultant felt that Senior Management Team had alienated the Managers at the middle and junior management levels from all the most routine management processes. Communication and team work was non-existent. They requested her to place this issue before Senior Management Team and expressed their opinion that there is a need to do survey in regard to Company's culture and management style.

Six months have now elapsed since the implementation of the Management Development Programme. The Personnel Director discussed this with the General Manager. The General Manager commented that "I knew this would happen. We have got the wrong people to manage and until we change that we are wasting our time".

Questions :

1. As a Personnel Manager prepare a report on the possible causes of failure of the Management Development Programme and make suggestions for improvements.
2. Identify the internal and external factors which were having a negative influence on the Management Development Programme. In your opinion, what action was needed to reinforce positive influence ?
3. Prepare an integrative HRD approach for this organisation and develop a HRD plan for organisational development.
4. Was the company's decision correct in promoting the technicians and scientists to create a new management structure ? Give reasons.
5. Give a suitable title to the Case.

CASE 8

PROMOTION OF Smt. SMITA DESAI (AN EMPLOYEE)

Smt. Smita Desai joined Laxmi Bank in 1980 as a clerk after graduation. She completed her Bank Examination (AIIB) in 1985 and become eligible for promotion. She was aspiring promotion and applied for the post of officer but could not get promotion due to low score in the written test. She was transferred to her native place in 1987. Again she applied for the post of officer (from promotion quota) but could not succeed. She started union activities and elected as a President of local unit. She solved number of problems of the members and naturally almost all the employees of the branch joined her union. Since then she was become a problem to the management.

CC-0. Panjab University Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education,Bantalab,Jammu

In 1990, again she was not given promotion though her score was more than minimum in the written test stating that her score of personnel interview was less. In fact promotion was denied on the basis of confidential report of the Branch Manager regarding her trade union activities.

Smt. Smita Desai decided later or not to make any application for promotion and devoted more time to the union activities. She also started her own business as well as she diverted deposits of business community to other banks. In 1995, Laxmi Bank's management decided to promote Smt. Smita Desai as an officer as per the recommendation of the new Branch Manager and accordingly appointment order was given, but unfortunately she refused to accept the order.

Questions :

(i) Analyse the above case.
(ii) Why did Smt. Desai refused the promotion ?

CASE 9

MOTIVATING THE SALES FORCE

Shri. Tilak is owner of big estate firm in which thirty Sales Staff or people are working at present. As any real estate person call tell you, the life blood of any office is its listings.

This is the inventory of homes available for sale. The important job of a salesperson is to find home to list for sale and to find buyers for those homes. An office of a salesperson will not do well in reality field without listings.

How does one go about motivating the sales force to bring in new listings into the office ? Shri. Tilak was worried in the beginning due to poor response. The early part of the year was poor for the sale of real estate. The state of the local economy was a disaster. People were not interested to sale or purchase in the houses. However, in any kind of economy there will be always some buyers and sellers. In order to encourage the thirty sales persons to bring in more listings, you as a sales broker and owner, install a new motivation techniques :

Questions :

(a) Analyse the problem in this case.
(b) How can sales staff's job be reorganised to be more satisfying ?
(c) Which theory of motivation will help to enhance the motivation of sales staff to bring in more listings ?

CASE 10

INDRAM ENGINEERING WORKS

Brij Varma was the Works Manager of Indram Engineering Works. Rajesh Sinha was the Chief Accountant and head of the Accounts Department reporting to the Works Manager.

Rajesh Sinha's general attitude was to be tightfisted with financial matters. He was always conscious of the need to conform to company policy and procedures and he firmly opposed any deviation from policy, but was often willing to explain the reasons for his view. He prided himself as a man of *'principles'*. Brij Varma, Works Manager, was the type that wanted to take action regardless of past practice or policy. He considered himself a 'result-oriented' manager.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The differing attitudes of the Works Manager and the Chief Accountant had led to conflicts on past occasions and Brij Varma had warned Rajesh Sinha on two occasions that if Sinha could not carry out his instructions he was free to search for a job elsewhere. Rajesh had argued his case with a measure of success stating that his approach was proper and that in financial matters the policy guidelines had to be observed.

One afternoon Brij Varma approached Rajesh Sinha and said, "Here is an incentive plan for the maintenance group. I am notifying it today and introducing it from tomorrow. Have a look at it," Sinha appeared to be surprised. He had not known that an incentive plan was being contemplated for maintenance workers as the Company's policy till then was to pay incentives only to direct production workers. Nevertheless he took the plan with him and returned to Brij Varma a couple of hours later. "You can't introduce this plan straightway", said Sinha to Varma, and added, "we have to give this some more thought". Our maintenance costs are too high mainly due to lack of adherence to norms on consumption of spare parts. This incentive plan gives no weightage to consumption of spare parts. Further, it will only add to maintenance costs without any real benefit to the company.

Varma's reaction was one of anger. "You understand nothing of incentive plans", he restorted, and added, "spare-parts" consumption is high due to poor quality of spares bought by the Materials Department. Anyway, I don't intend to waste time on this with you. I am notifying this incentive plan today.

An alteration followed and the arguments of both Sinha and Varma became so loud that it attracted the attention of others in the hall, outside Varma's office. "I am the boss here," screamed Varma and added, "if you can't work with me and obey my instructions, you are free to leave your job and go elsewhere".

A few moments later Rajesh Sinha was back in his office, tired and sullen. He called in his secretary and said, "Now, I have no option. Please write down". He dictated his letter of resignation.

Questions :

1. Discuss the leadership style used by Brij Varma. How effective is his style ? What changes would you advise ?
2. To what extent were Rajesh Sinha's need being considered ? What kind of organisational climate was being created ?

Please read the case carefully and analyse the content, i. e, the situation and the personalities involved before answering the questions. The analysis could be done mentally or after jotting down the salient points arising in the case.

CASE 11

ABC INDIA LIMITED

ABC India Ltd. published advertisements in all major national level dailies for recruiting some sales personnel and the total cost of such advertisement was Rs. 45 lakhs. The final draft of the advertisement was prepared by the Private Secretary of the Branch Manager at the Delhi office. His secretary, Ms. Roy was a young lady who has been selected recently only because of her outstanding performance in the selection test. Unfortunately, while preparing the draft of the ad she prescribed one telephone number for further contact which was out of order at that time. Even after the advertisement was published, she has forgotten to take the initiative to repair the telephone line.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Sanatan Jammu

Mr. Prakash, the M.D. out of his curiosity, once tried to contact the office through the telephone number prescribed in the advertisement but naturally he failed. He tried repeatedly and the result was the same. Soon he realized that the Company will not be able to receive response from the job-seekers simply because of the fact that a wrong telephone number has been provided in the advertisement. Considering the amount spent on advertisement, he became furious. Immediately, he rushed to the Delhi office. Mr. Singh, B.M. of that office by that time went on client visit. Mr. Prakash directly called Ms. Roy and with an aggressive voice scolded here. Before leaving the office, he left a note for Mr. Singh recommending the dismissal of Ms. Roy.

After visiting his clients, Mr. Singh returned to his office and soon he received the note. He immediately contacted Mr. Prakash and Mr. Prakash insisted him to sack Ms. Roy. Mr. Singh was really impressed with the efficiency of Ms. Roy and as such, finally he denied to fire her. Within a week, Mr. Singh was transferred to the Pune region and Ms. Roy was fired.

Questions :

(A) Discuss the role of Mr. Prakash.
(B) What might be your action had you been in the place of Mr. Prakash ?
(C) Do you think Mr. Singh was right in his decision ? Justify your answer.

CASE 12

Mr. K. KISHOR

A Senior Supervisor Mr. K. Kishor in a medium size industrial unit had completed twenty two years of honest, sincere and dedicated service. He had reached the age of 47 years. His total emoluments per month were Rs. 1800/-. Unfortunately, however, he was involved in misappropriation of funds and cash during the last three months of his career and the Management decided to terminate his service and to punish him by making certain deductions in the payment of his gratuity and other retirement benefits.

Mr. K. Kishor feels that he is unjustly treated and a section of the labour seems to agree with him. Would such action on the part of the Management be justified ?

Give your detailed view and advice in the matter.

CASE 13

A COLLECTIVE AGREEMENT

The Management of a big industrial concern has signed a collective agreement with the representative Union for a period of five years. The Union enjoys the full support of the majority of the workers and it seemed at the outset that an era of peace and harmony is bound to set in as a result of the agreement signed between the Union and the Management.

It was however soon discovered that there was a hostile section within the representative Union which was not in favour of signing such an agreement with the Management. In the opinion of this hostile section the agreement meant a virtual surrender of the Union to the Management. The section consisted of several professional trouble-makers and mischief mongers whose nefarious activities need to be nippled in bud in the larger interest of both the Union as well as the Management.

As an industrial Relations Officer of the concern what measures would you immediately adopt to implement the agreement in all its essentials and to bring under control the anti-social activities of the small but hostile minority within representative Union ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education, Bantalab, Jammu

CASE 14

MODERN TEXTILES LIMITED

Modern Textiles Ltd. is one of the leading textile mills in the South, having a work force of more than 1500 employees, engaged in the manufacture of cotton yarn of different counts. The company has a well established distribution network in different parts of the country. It had modernised most of its plants, with a view to improve the productivity and maintain quality. To maintain good human relations in the plants and the organisation as a whole, it extended all possible facilities to the employees. Compared to other mills, the employees of Modern Textile Ltd., were placed in reasonably high wage brackets.

The company has a general manager, followed by line executives incharge of different functional areas. The Industrial Relations Department was headed by the 'Industrial Relations Manager' with supporting staff. It earned profits every year and distributed reasonable amounts as bonus to the employees. The employees were represented by six trade Unions – A, B, C, D, E and F – out of which first three unions were recognised by the management for purpose of negotiation. All the unions maintained good relations with the management individually and collectively. In a particular year when the bonus issue was placed before the management it had series of discussions with all recognised unions and finally announced a bonus which was in turn agreed upon by all recognised unions. The very next day when the management prepared the settlement and presented it before the union representatives, while unions "A" and "C" signed the same, the leader of union "B" refused to do so and walked out stated that the amount declared as bonus was not sufficient. The next day, union "B" issued a strike notice to the management asking for higher bonus. The management tried its level best to avoid an unpleasant situation, but in vain. As a result, one morning members of union "B" went on strike. They were joined by union "B" went on strike. They were joined by members of union "D". During the strike the management could probe the reason for the deviant behaviour of union leader "B" : – it was reported that leader of union "A" soon after the first meeting had stated in the presence of a group of workers : – "because of me the management has agreed to declare this much amount of bonus to the employees. Some representative unions, particularly, union "B", had miserably failed in its talks with the management for want of initiation and involvement.

This observation somehow reached the leader of union "B" on the very day it was made, as a result of which he felt insulted. Soon after identifying this as the reason for B's strike call the management in the presence of the Industrial Relations Manager brought about the compromise between the Union leaders, "A" and "B". Immediately after this meeting, the strikers (members of union "B" and "D") had resumed work and the settlement was signed for the same amount of bonus, as was originally agreed upon.

Questions :

1. Was the leader of union "A" justified in making remarks that caused offense to the leader of union "B" ? Could the strike have been avoided, had "A" not made his remarks before a group of workers ?
2. What should the management's long term strategy be, for ensuring against the recurrence of inter union differences on issues affecting the welfare of workers ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education-Bantalab, Jammu

CASE 15

UDAY ENGINEERING COMPLEX

"Uday Engineering Complex" is a huge organization having their nine different departments dealing with Production, Marketing, Personnel, Medical, Administration etc., under one roof.

The establishment is 15 years old and has been progressing very well, both in terms of expansion and profits. Uday Engineering Complex employs over 8,000 workmen. The establishment has nine different departments headed by departmental managers who have their own secretarial assistance. Typists and stenographers who numbered 63 and 18 respectively have been distributed equally among the nine departments. Such equal distribution, however, though working for quite some years is neither satisfactory nor conducive to effective work. This is more so because some departments have very heavy secretarial work and some have almost no work to justify the stenographers and seven typists. The management also felt that while it may not be possible to retrench any of the typists and stenographers at least for fair distribution of work they could be pooled under one head and the different departments could requisition the services of the stenographers as and when necessary. Similarly, typing job could be sent to the pool for completion. With a view therefore to properly reorganizing the staff and also if possible to minimising the expenses on secretarial staff, the management decided to pool all the clerical staff including typists and stenographers under one administrative officer who was earlier a superintendent in one of the nine departments. He was also given an assistance by promoting the seniormost stenographer in the capacity of Assistant in-charge of the newly created pool.

According to the restructuring of the section, each department was supposed to send their material for typing to the administrative officer under whom these typists were employed. Similarly, there was a stenographers pool and even the Heads of the Departments were to indent for their stenographic assistance from the administrative officer, as and when necessary. Stenographers under the new arrangement were not specifically allotted to officers or Heads of Departments but were deputed by the Administrative officer on the basis of requirement and availability. The new secretarial pool thus had 63 typists and 17 stenographers and other clerks attending to work, other than typing and stenography such as accounts, administrative work, purchases, outdoor duties etc.

The pool has been functioning satisfactorily for a period of three years.

In the fourth year, the Administrative officer under whom these typists and stenographers worked granted three increments to one stenographer for his efficient and meritorious work. This was the first case of its type.

The General Secretary of the "Uday Secretarial Workers Union" congratulated the management for their appreciation of good work of the stenographer and in his letter requested the management that since there are no adverse against any of the 16 stenographers the management will no doubt show similar gesture to these stenographers by giving them three increments. The General Secretary also requested that the remaining sixteen stenographers should be granted three increments with effect from the same date as was given to the stenographer, selected by the Administrative officer for efficient and meritorious work.

Majority of typists and stenographers are members of this white-collar class dominated union. Other three workers' union's did not react in any way.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The union also gave a garbed threat in their aforesaid letter that if it is not possible for the management to give similar three increments within two weeks they may be forced to raise a dispute in this regard. They also volunteered to discuss the issue if the management so desired. They did not suggest any specific date for discussion but left it open for management to do so.

As a result of the Uday Secretarial workers' union's decision, the atmosphere was very much tense among secretarial staff. The typists/stenographers and others, however, attended to their work regularly as before. Ostensibly, the management thought that the union is soft-peddling the issue because of two weeks time mentioned in their letter for giving effect to increments of other sixteen stenographers as per their demand.

Questions :

1. Discuss the efficacy of the action of the Administrative officer in granting three increments to one stenographer.
2. Do you justify the Administrative officer's action ? If yes, give reason.
3. How would you deal with the demand of the Uday Secretarial Workers' Union for grant of three increments to all the stenographers on the roll ?
4. Can a dispute be raised ? How would you deal with the threat of the union to raise a dispute in the matter ?
5. As a General Manager, would you like to issue an administrative order/instruction to your Heads of Departments and the Administrative officer in particular for their future guidance ? If so, how would you word it ?

CASE 16

SUNFLOWER BIDI COMPANY

Sunflower Bidi Company started in 1975 as a very small concern but later developed into a big factory, manufacturing Bidis. Their Sunflower Brand Bidi was very popular and had a tremendous sale in the states of Madhya Pradesh, U.P., Rajasthan. The factory was located at Nagpur, which was well connected by broad-guage and meter-guage railways, state-transport buses and was also on the air map of India.

The Sunflower Bidi Company was owned by Shri Maganlal the sole proprietor owner, manager of the Bidi factory which was popularly known as Bidi-Karkhana in the city. This factory was covered under the Factories Act 1948 and the rules made thereunder and was also governed by other labour laws operating in the state of Maharashtra. Workmen employed in this factory were getting their wages, leave, bonus, provident-fund, gratuity etc. according to different labour laws in force.

In addition to this full-fledged factory where good number of people were regularly employed on monthly wages, the owner Shri Maganlal had introduced another small establishment situated five miles away from this factory.

This establishment was entirely independent of the factory and was not managed by factory officials. Accounting books, records, registers maintained by this establishment, had nothing to do with the working of the factory.

Shri Maganlal, knowing well the availability of labour, capable of rolling Bidis in one particular area of the city, constructed a big shed in that locality. The shed had proper cemented floor, light and ventilators.

This shed was inaugurated by a local minister, some years back and was named after him as Manik-Bhavan. However, it was better known as Bidi-Bhavan among the public at Nagpur.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by MoE-IKS

Gandhi Memorial College Of Education Bantalab Jammu

Shri Maganlal appointed only one clerk who managed the operations under his instructions. Work in the shed was permitted between 7 a.m to 7 p.m.

System of operation was made very simple. Any person who can roll Bidis could visit this shed and collect Bidi-leaves, tobacco and khaki thread from the clerk and occupy a place in the shed for rolling Bidis. No one however was permitted to take material for rolling Bidis at home. The work had to be done in the shed itself. The persons visiting the shed could work as much time as they liked and at the end to their work collect their wages based on the rate of rolling Bidis per hundred. The wages were calculated after rejecting Bidis which were not properly rolled.

Briefly the terms and conditions under which the persons worked in the specially constructed shed – Manik-Bhavan were as under :

(a) They had to work in the shed only and were not at liberty to work at their homes.

(b) They were not bound to work for any particular member of hours and could go away whenever they liked.

(c) If any person came to the factory after 1.00 p.m. he was not allowed to work on that day.

(d) The person was not at liberty to get the work done by others and had to do it himself or not at all.

(e) Though the persons were at liberty to stay away without asking for leave there were orders according to which the management had the right to deny work to a person who remained absent for a continuous period of 8 days.

(f) The payment was on piece rate basis.

(g) Their attendance i.e., as and when attended was noted by the clerk.

(h) No appointment letters were issued nor there was any correspondence with any one attending to work in the shed.

(i) Piece rate wages due had to be collected on the same day of work and no separate account was maintained.

Questions :

1. Are the persons working in Manik-Bidi-Bhavan employed ? Is that an employment ?
2. Is there a supervision over the working of these persons ?
3. Is there any control over the working of the people ?
4. What different factors according to you would constitute 'Supervision' ?

CASE 17

DOMESTIC ELECTRICAL APPLIANCES LIMITED

Roshanlal, a workman employed by M/s Domestic Electrical Appliances Co. went on six days earned leave, granted to him by the company from the 5th Sept. 1983. On expiry of leave, i.e. on 11th Sept., he did not resume duty. After waiting for a few days, the management sent him a letter on 16th Sept. asking him to show cause for his absence, and to report for duty within three days from the date of the receipt of letter.

The letter came back undelivered, with a notation by the postal authorities, to the effect that the addresses was not found at the address given. Thereupon his services were terminated due to over-staying on leave without prior permission. The company took into account his past record which reflected two instances of similar overstay in the courses of his service of one and a half years. On both occasions, he had been let off with warnings.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CLAUSE 17 OF THE STANDING ORDERS :

Clause 17. Disciplinary Action for Misconduct

A workman may be suspended for a period not exceeding four days at a time, or dismissed without notice, or any compensation in lieu of notice, if he is found to be guilty of misconduct. The following acts and omissions shall be treated as misconduct :

1. Wilful subordination or disobedience, whether alone or in combination with others to any lawful and reasonable order of a superior;
2. Theft, fraud or dishonesty in connection with the employer's business or property;
3. Habitual absence without notice, or absence without leave for more than seven days or overstaying leave without permission for more than a week;
4. Riotous or disorderly behaviour during working hours at the establishment;
5. Frequent repetition of any act or omission for which fine may be imposed to a maximum of 2 percent of the wages in a month;
6. Any act subversive of discipline.

Roshanlal came back to duty on 22nd Oct., 1983. He said that he had not received any letter from the management, and that he had been sick and therefore unable to resume duty earlier. He produced a certificate from his medical attendant that he had been ill during the period from 12th Sept. to the 20th Oct. 1983. The management refused to reinstate him.

The union took up his case for reinstatement.

Questions :

(a) Do you justify the decision taken by management ? If yes, give reasons.

(b) Do you feel that the management could have taken a more practical decision ? If so, what should have been that decision ?

CASE 18

ABC AND COMPANY LIMITED

ABC and Company Ltd., established for more than a decade, employed about 500 workers. One day the Factory Manager received a complaint from the Production Manager that an operator, Mr. Hari, reported that on the previous evening he saw Mr. Sham, another operator, in a prominent restaurant, trying to dispose of a special photo-electric bulb to an unknown person for Rs. 50/-. When he tried to intercept and stop him, Mr. Sham smashed the bulb in his presence and broke it into pieces.

This bulb was used in an instrument which measured the temperature of chamber driers tunnel kilns. It was an imported item and its cost to the company was about Rs. 500/-. It had been specially imported from West Germany and it was not easy to find the replacement. The management did not have a spare bulb in stock.

After getting this information, the Production Manager and the Chief Engineer went to inspect the instrument. They found that the photo-electric bulb was hanging in its place broken and bits of glass were strewn around. Both Mr. Sham and Mr. Hari were summoned on the spot. The latter narrated what he saw in the restaurant in the previous evening. Mr. Sham denied having taken the bulb out of the factory, and the allegations made by Mr. Hari. Further Mr. Sham stated that the bulb had fallen down while he was cleaning it sometime last week. He offered a written apology and begged for pardon. When asked why he did not report it earlier, he could not give any answer.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Ranchi Jharkhand

A report of the incident was sent to the management of the Head Office, along with Mr. Sham's written apology, asking for advice. The management while considering the gravity of the offense, and the clean record of this operator, felt –

(a) that the evidence was against Mr. Sham, and it appears to be reliable;

(b) that there was loss of production due to this unfortunate incident because accurate temperature readings could not be made;

(c) that he was atleast guilty of not informing the management in time, if his version was to be accepted;

(d) that the apology asked for by Mr. Sham did not mean anything.

The management feared that if this operator was allowed to go free it would create a bad precedent. At the same time, the loss was considerable as the bulb was a costly imported item and the formalities for import license and foreign exchange from the Govt. etc., would take a long time.

Questions :

(a) Is it necessary, in your opinion, to take advice of Head Office in this case ?

(b) Suggest the action that the management should take against Mr. Sham.

CASE 19

"HINDUSTAN INDUSTRIES"

"Hindustan Industries" is an engineering establishment situated in Ballard Estate (Fort area) Mumbai. It has 14,800 workmen employed in first shift between 8.00 a.m. to 4.00 p.m. This is a major shift and known as General shift.

These workmen of Hindustan Industries report for work from distant places such as Kalyan, Borivali, and also Karjat which are miles away from the place of work. The workers travel by Central Railway, Western Railway (Sub-urban services) and by BEST buses. (Best in the local municipal bus transport organisation). Some also travel by petrol-driven vehicles, or their own bicycles. A small number staying in the surrounding areas of the factory report for duty on foot.

On 22nd July 1998, there was a very heavy down pour, which is not uncommon, in Mumbai. Vast areas were submerged under water. Central and Western sub-urban railway services therefore were completely dislocated. As a result of the heavy rains, train services were suspended between 7.00 a.m. and 8.30 a.m. BEST buses were less frequent and in some areas three was no bus service at all. A few Time-Keepers who somehow managed to attend, took attendance. It was found that out of the total complement (14,800), 4,000 attended in time, 2,600 attended two hours late, 4,800 attended four hours late and the remaining i.e. 3,400 did not attend.

As was obvious, neither the management nor the workmen were responsible for the aforesaid happening and the trade union, operating in the establishment requested the management to deal sympathetically with the employees. They requested that since it was beyond the control of workmen, even those who could not attend should not be marked "Absent".

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education,Bantalab,Jammu

The Union leader had produced a certificate from Railway authorities and also BEST authorities about complete dislocation between 7 a.m. to 8.30 a.m. and a partial dislocation till 2.30 p.m.

As will be seen from the case 4000 employees worked for the whole day, another section of 4800 worked only for four hours and still another section of 2600 worked for six hours and 3400 did not report for duty at all. The issue was how to adjust the wages for the day.

The General Manager called a meeting of the officers to discuss the issue. It was found that a good number of officers who stayed in long-distant suburbs or were staying in remote areas could not also attend to work. Some of the officers who participated in the meeting, opined that "no work-no pay" should be the only principle and at best the only thing the management should do is not to take any disciplinary action as such. Others expressed different views and there was no near-consensus even in the meeting. The General Manager adjourned the meeting without coming to any decision.

Relations between the management and the three unions operating in Hindustan Industries were generally satisfactory. Only one of the three unions which had mainly clerical staff as its members had a legalistic approach in all matters and was not easily satisfied.

Questions :

(a) How would you deal with the workmen who attended two hours late, four hours late and those who failed to attend because of heavy rains and non-availability of public transport ?

(b) What permanent measures would you like to introduce to deal with such cases ?

CASE 20

BESELER ELECTRONICS (TRAINING COURSE)

Beseler Electronics conducts a number of training courses, some of which are offered through the co-operation of two local colleges, and most of which are given on company time. Participation is optional for employees, in practice, however, supervisors tell the employees that they need the courses and will be excused from work for the classes. In addition, the personnel department exerts continuing pressure on managers, urging them to send employees to the courses to prepare them for changing products and processes.

Negotiation of a collective bargaining contract is conducted in the spring of each year. In 1985, the union proposal included one clause that occasioned much discussion among managers. It involved the reporting of grades in company-sponsored training courses. The proposal would limit the recorded grades to "pass" or "fall" specifically preventing communication of any other information about performance in the course of anyone but the trainee.

Many managers feel outraged by the proposal. They insist that since the employee attends courses on company time, his absence is charged to the department budget. The supervisor has a perfect right to know what the employee is doing every hour of the course. They argue, also, that the provision would interfere with the educational process by limiting the counselling function in which supervisors could help to maintain the employee's interest and activity in the course. They conclude that it is unreasonable to expect supervisors to send men into these courses if full information on each "student" is not available to the supervisor.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Union spokesmen insist that managers have already accepted the principle they are proposing. They point to the procedure in the firm's management development programme. Several managers have been sent to stanford, Harvard, and the University of Michigan for university supplements to the in-firm programme. While in these on-campus classes, they receive no grades, and no report of classroom performance, attitudes, or progress is made to the firm.

Questions :

(a) Do you justify the Union's proposal in connection with companies sponsored training courses ? Give reasons.

(b) Do you agree with the opinion of managers ? Explain with reasons.

CASE 21

BOB JONES (PROBLEM OF WEEKLY HOURS)

Bob Jones has taken over the management of a large retail store from his father. His father had owned and managed the store for thirty years and had built it upto the point where he employs forty-eight workers and has an invested capital in excess of Rs. 1.5 million.

The employees are represented by a retail store union and bargaining is conducted through an employers association. The present contract will be in effect for three years.

When he took over the store, Bob found that although the contract provides for a forty hours week, employees in his store have been working thirty-five hours for several years. He also found that although the contract stipulates a minimum rate of commissions, one very large store in organisation has been permitted to pay one-half percent lower than the minimum rate. He immediately protested this action to the secretary of the employer's association, but was told that nothing could be done about it. He also asked all employees of his store to work forty hours a week instead of thirty-five. The union representative called on him and informed him that unless they returned to the thirty-five hours week, the employees would file a grievance demanding overtime pay for the extra five hours. The business agent noted that there had been no proposal to change hours in the most recent bargaining sessions. The secretary of the employers association says that the problem is an individual store problem and that the association cannot take the responsibility for settling the difference.

Questions :

(a) What would be your advice to Bob on the problem of weekly hours ?

(b) Comment on the opinion expressed by secretary of the employers union.

CASE 22

SHARMA'S CASE

Sharma is a supervisor in a parts clean-up department. When the laboratory finds that some piece of equipment has failed or has a serious quality problem, and repair is too costly, the equipment is sent to Sharma's group. They, in turn dismantle the equipment, clean-up the components, and place them in stock, to be available as spare parts.

Sharma has noticed that his men will work very hard for several hours if they know, they can "win" an extended work break. Last week when they finished an especially large group of motors, he told them they could leave early. It was about an hour before quitting time. They

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

returned the next day with enormous vitality, worked at a similar pace, and finished, what Sharma considered a good day's work in about five hours. He told them it was all right to leave early again, and for about two weeks the same pattern was followed with unflagging effort and great unity. When Sharma's manager heard about the practice, however, he said it had to stop, since the working hours for all employees had been established by the laboratory, and discrimination should not be practised.

Questions :

1. What do you think of "free time" compared to money as an incentive ?
2. Assuming that these employees worked in an isolated location, would this affect your judgement of Sharma's action ?
3. How relevant is the fact that the employees responded very favourably to this type of incentive and appeared likely to continue to do so ? What other savings were being made ? Are there other hidden costs ?

CASE 23

PIERCE MANUFACTURING COMPANY (JOB ANALYSIS)

The Arkansas division of the Pierce Manufacturing Company has encountered difficulty in its job analysis programme. A new industrial relations director, taking over less than a year ago, began the programme by asking employees to fill out a job questionnaire. When answers came in, he asked supervisors to comment. In many cases, employees indicated that they were performing tasks that supervisors questioned. Some supervisors insisted that employees were not actually doing all they claimed. In some cases, supervisors admitted that employees were doing what they claimed but said they should not be doing some of the tasks.

The new industrial relations director now finds himself faced with a difficult problem. He sought only to find out what each job involved. Now he is being asked to settle arguments as to what should be expected of job holders and, even more difficult, what to do about employees who insist they have long been expected to do more than supervisors think they are doing.

Questions :

(a) Should the industrial relations director ignore these controversies ?
(b) If so, whose word should he take as to job content ?
(c) If not, how should he move to resolve the differences ?

CASE 24

MARKETING ENGINEER

Ravi is a Marketing Engineer in a multinational concern engaged in the manufacture and marketing of industrial and consumerable products, and acknowledged leaders in the field. During his two years tenure with the company, he was exposed to all product application areas. He undertook several tours on his own and handled many difficult situation with tact and dexterity. A brilliant engineer, Ravi had proved himself by successfully organising seminars, introducing new products and effecting improvements in existing products.

X, Ravi's boss is the Marketing Officer in the Product Engineering Department, who had served the company for over 25 years and is now on the verge of retirement. Though not educationally qualified, he has a sound knowledge about product application by virtue of his rich experience. Y, who is X's boss, is a family member of the company and combines an excellent engineering background, with leadership qualities and a business acumen. A professional manager in the true sense, he has established a good support with his superiors,

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

and was responsible for the achievements of the division in terms of increasing sales and thereby profits. He motivated his colleagues by instilling in each one of them a feeling of participation in contributing to the growth of the company. He in particular, showed great interest in Ravi and did his best to develop him.

Exactly one month before X's retirement, the company brought in another person Z, to take over from X and asked X to continue for one more year on a contract basis. Z, an engineer who had served the company for 13 years, had joined the company as a Graduate Engineer, Trainee and was working as an officer looking after a different product application line for the last three years.

All this time Ravi had hoped that X would recommend his name to the management for a promotion. But X did otherwise and was also involved in bringing Z to take his position.

Meanwhile, Y had to move to another company on transfer to help strengthen the marketing team of the new company. A little later, X, retired, so that Ravi was left to handle his job all by himself. Z, the new marketing Officer was not competent and could not measure upto the job requirements. Naturally, Ravi was unhappy with this selection and felt quite rejected.

Ravi was studying for the part-time MBA programme, specialising in the area of Financial Management and was preparing for ICWA. Due to his apprehension about future prospects in this company, Ravi started applying for jobs elsewhere. He secured a job in the Executive Cadre in a reputed Multinational Company in the Finance area. Ravi was under a dilemma as to what to do under these circumstances ?

Questions :

1. Should Ravi reject or accept the offer ?
2. Why didn't Y help in trying to place Ravi in the position of X on the latter's retirement, considering that Y is a family member of the company and has been interested in Ravi's growth.

CASE 25

INTERVIEWING PROCEDURE

The selection programme in a medium-sized manufacturing firm has, for several years, maintained a panel-type interviewing procedure, one interview following another, for all applicants who are believed likely to move into supervisory and managerial positions. After a preliminary screening interview by a recruiter, candidates meet with each of six company officers, including one representative of the industrial relations department.

One vice-president is insistent that he be included on all such panels. He is impressed with what he regards as a tendency of modern business to "coddle" and "baby" new recruits. He says they should know the basic "economic facts of life". He thinks they should be told to expect to work long hours and to encounter many frustrations and discouragements. Accordingly, in his visit with candidates, he "gets rough" and "gives them the works".

The effects of his interviewing are readily apparent. Several candidates regarded by other interviewers as most promising have decided against joining the firm. Some of them have said bluntly that they do not want to work with an outfit that has such a vice-president. One candidate advised two panel members that they ought to leave the firm on this account.

Questions :

(i) What should be done about this person someone has dubbed the "vice-president for discouragement" ?
(ii) Would it be fair, if it is possible, to keep him off the panels ?
(iii) Could he be encouraged to change his tactics ?
(iv) What approach would you suggest ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 26

EAGLE AUTO PARTS COMPANY (TRAINING)

The packaging department was the most troublesome department in Eagle Auto Parts Company. The employees job in this department was to watch high-speed semi-automatic packaging machines and make adjustments and compensations for unexpected operating difficulties. Though the work was simple and easily learned, productivity was low. Employees frequently neglected obvious danger signals and failed to make the proper adjustments.

Management tried all sorts of solutions to this problem : employees were disciplined for making mistakes (they objected violently); supervisors were sent through a training programme; a new incentive system was introduced. When all these efforts failed, management decided to experiment with a retraining programme. Some of the employees may have forgotten their initial training, or perhaps it had been inadequate. In any event, many employees were using clearly inefficient, fatiguing motions on the job, and improved job performance would actually make the work easier.

Management had another reason for introducing training. It was contemplating to discharge some of the worst offenders, but felt that it should give these men every opportunity to improve before it took such drastic action. Systematic training would head off union charges that the men had not been properly instructed.

The department head, in collaboration with the Industrial Engineering Department, prepared a training manual that outlined all the steps required in doing this particular job. One of the first-line supervisors was chosen to administer the training during the regular work routine of the department. He spent several hours with each employee, going over the procedures step by step.

The results were discouraging. No improvements in productivity were forthcoming. The operators claimed that the trainer was a Spy, seeking evidence that they were malingering rather than trying to train them. Further more. "He knows less about the job than we do – we should be training him".

Questions :

(a) What mistakes, if any, were made in this training situation ?

(b) Describe completely how you would handle these problems, including the selection of the trainer ?

CASE 27

SURESH KADAM

Suresh Kadam was a very able and reliable employee. He was an innovative and superior tool maker. Now 28 years of age, he decided to start his own business and work in the evening and on holidays. The products to be made were almost exactly the same as those made by the company where he was employed. Mr. Kadam's supervisor discovered his new business adventure but no action was taken for some months believing that it might not amount too much and best course was probably to wait and see.

One day Mr. Kadam was found making telephone calls on company time and using its telephone to order materials for his own business. The supervisor reprimanded and warned him that such practices would not be tolerated. The incident was reported to the General Works

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Manager. Later Mr. Kadam was given a formal notice signed by the General Works Manager indicating so as to decide within four weeks whether, to get rid of his business or to quit his job as an employee.

Mr. Kadam was not in a position to took offer his business as well as his job as a tool maker. At the end of four weeks, Mr. Kadam was asked directly by his supervisor as to his *decision* regarding his business. Mr. Kadam reported that he had decided not to give up his business nor he was going to quit his job. The supervisor told him that he was making a big mistake. However, Mr. Kadam did not see it that way and his outside work did not interfere with his job as an employee. Further, he argued that he was using his own time which was not the concern of the company. The business was very small and it would not possibly hurt the company. He was not using any of the company's practices and was not soliciting any of its accounts.

Two days later, Mr. Kadam was served with notice for effective discharge immediately.

Analyse the case and answer the questions given at the end.

Questions :

(i) Was the action of Mr. Kadam ethical ? Why ?
(ii) Was the action by the company ethical ? Why ?
(ii) Evaluate the handling of the situation and action taken by the company management.

CASE 28

COMMUNICATION

Mr. Rande has worked for the same boss for eleven years. At lunch one day, his friend Sathe asked him, "what is it like to work for the old Boss" ? Rande replied, I guess its okay. He pretty much leaves me alone. I, more or less do my own things. Then Sathe said, "well, you've been at that same job for eleven years. How are you doing in it ? Does it look like you will ever be promoted ? If you don't mind me saying so, I can't see that what you do has any thing do with the operations." Rande replied, "well, first of all, I really don't have any idea of how I am doing. My boss never tells me, but I've always taken the attitude that no news is good news. As for what I do and how it contributes to the operations around here, my boss mumbled something, when I started the job about being important to the operations, but that was it. We really don't communicate very well".

Questions :

1. Rande's statement : "we really don't communicate very well". What is the status of Superior – Subordinate communication in this work relationship ?
2. Communication is a dynamic, inter personal process. Does the situation described, verify this contention ?
3. Are there any implications in this situation for subordinate - initiated communication and for interactive communication ? How could feedback be used more effectively ?

CASE 29

THE EXCELSIOR DEPARTMENT STORE

The Excelsior Department Store had a large department that employed six Sales Clerks. Most of these clerks were loyal and faithful employees who had worked in the department more than ten years. They formed a closely knit social group.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The store embarked on an expansion programme requiring *four* new clerks to be hired in the department within *six* months. These newcomers soon learned that the old timers took the desirable times for coffee breaks, leaving the most undesirable periods for newcomers. The old time clerks also received priority from the old time cashier, which required the newcomers to wait in line at the cash register until the old-timers had their sales recorded. A number of customers complained to store management about this practice.

In addition, the old-timers frequently instructed newcomers to straighten merchandise in the stock room and to clean displays on the sales floor, although his work was just as much a responsibility of the old-timers. The result was that the old-timers has more time to make sales and newcomers had less time since commissions were paid on sales, the newcomers complained to the department manager about this practice.

Questions :

1. How is the informal organisation involved in this case ? Discuss.
2. As manager of the department, what would you do about each of the practices ? Discuss.

CASE 30

M/S. PRAKASH TUBES LIMITED (INDUSTRIAL RELATIONS)

The Management of M/s Prakash Tubes Ltd. has signed a collective agreement with the representative Union for a period of three years. The Union enjoys the full support of the majority of the workers and it seemed at the outset that an era of peace and harmony is bound to set in, as a result of the agreement signed between the Union and the Management. It was however soon discovered that there was a hostile section within the representative Union, which was not in favour of signing such an agreement with the Management. In the opinion of this hostile section, the agreement meant a virtual surrender of the Union to the Management. The section consisted of several professional trouble-makers and mischief mongers, whose nefarious activities need to be nippled in bud in the larger interest of both the Union as well as the Management.

As an Industrial Relations Officer of the Company, what measures would you immediately adopt to implement the agreement in all its essentials and to bring under control the anti-social activities of the small but hostile minority within representative Union ?

CASE 31

M/S. NARMADA CEMENT WORKS

M/s Narmada Cement Works, a large cement manufacturing plant, is facing a severe recession during last three years and plans to retrench 25 % of its large 3000 workers. The representative Trade Union, with whom the management of the concern is currently conducting negotiations, has however, adopted an openly defiant attitude in this context and is not in a mood to make any conciliatory gesture whatsoever to avert the crisis faced by the management. The situation has taken an ugly turn even violent, during the last month.

As the Industrial Relations Officer of M/s Narmada Cement Works, how would you bring about harmonious relations between militant trade union and the management, which is caught in financial crisis ? The collective agreement signed between the management and the trade union, three years back is scheduled to expire next month.

How would you formulate the basis of the terms of the next collective agreement that should be arrived at in the near future, so as to over come the current ugly situation ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh Funding by IKS,MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 32

ADEWELL ADVERTISING AGENCY

ADEWELL is a large, successful advertising agency. One of the reasons for its success has been its ability to produce fresh, creative, eye-catching copy. The Company employs about 60 copywriters working in 15 different departments.

The department heads, who are responsible for hiring, have different ideas on what makes a good copywriter. Their predictions are based pretty much on chance experience and ingrained stereotypes. One supervisor will tell you : "I can tell a good copywriter right away- all you have to do is to give him two minutes to come up with an original advertisement for something like condensed milk and see what he does". Others use this criterion : "I have him bring in all the advertisements he has ever written and ask him for his 10 favourites and 10 worst. Then I spend the next evening reading them all over and comparing my judgements to his".

The results of this haphazard approach to selection have not been good. At present the Company needs five new copywriters, and one-third of the present staff have not worked out well. The agency's personnel department would like to use a more systematic procedure for evaluating applicants, including some technique for testing writing skill. The new programme would be costly, however, and there would be little point in setting it up if the department heads ignored its findings.

Questions :

1. If you were head of the agency, how would you set up an improved selection procedure that would not detract from the department heads' responsibility for turning out high-quality copy ?
2. What information would you need before deciding on such a new policy ?
3. How would you introduce and gain acceptance for the new approach ?

CASE 33

MANAGEMENT DEVELOPMENT PROGRAMME

Mr. Kale, Vice-President incharge of industrial relations for the XYZ Company, is beginning to wonder if he acted too rapidly in encouraging the firm to undertake a programme of management development. He made a study of probable losses of managerial manpower during the next ten years. That study indicates that such losses will be heavy – that about six times as many men will probably be lost in the tenth year as in the first year. On the basis of this forecast, Mr. Kale has secured an authorisation to undertake a formal management development programme.

As his first step, he asked all executives to nominate candidates for special training and preparation. On the basis of these nominations, he has selected, two men to be sent to a special university executive development programme. It is expected that, on the basis of this experience, they may make suggestions for other parts of the total management development programme.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Neither of the two men thus selected wishes to attend the University programme. They give several reasons : twelve weeks is too long to be away from their jobs; they are not University graduates and will not feet at home in what is essentially a graduate school atmosphere; they think their absence may adversely affect salary adjustments for them in the next year, one of them refuses to leave his family for such an extended period.

Questions :

(a) On the basis of this limited summary of the situation, what would you suggest to Mr. Kale ? Does he simply have the wrong candidates ?

(b) Are the men right in their objections ?

(c) How would you proceed ?

CASE 34

RELIABLE ENTERPRISES

Reliable Enterprises was established 10 years ago at Lonapur when it was a small, almost deserted village near the district town of Bijnor. The firm produced a number of decorative fixtures. In the beginning, the 'management' was just one person – Seth Chandan Das. But as the demand and profits grew, some 'Executives', mostly the Seth's distant relatives were employed. These people were content to take the line of least resistance and merely kept on the right side of the Seth. Meanwhile, Lonapur became more and more inhabited and soon became a large housing area where the factory and the few other workshops got surrounded by residential housing. The Seth however was reluctant to move the factory to another large plot which he owned in an Industrial Area on the grounds that he was sentimentally attached to Lonapur.

The Seth rarely came to the factory especially since he appointed Mr. Kaveri, B.E., M.B.A., as the Chief Executive on the strong pleadings of his sons. Mr. Kaveri's style of working was resented and he had to fire a few people who were inefficient and obstructionists. He tried to reason with his officers and supervisors that the main weaknesses were poor working atmosphere, poor machine and manpower utilisation.

He also tride to convince the officers that the growing grip of the employees Union needed to be dealt with greater firmness through the use of disciplinary procedures against erring and negligent employees. His concern over deterioration in employee discipline was shared by the officers and supervisors, though they were reluctant to confront the Union. Another point that he shared with the officers was about the relatively stagnant market which was attributed by him to lack of any organised marketing effort. All these aspects of the working of Reliable Enterprises ultimately got reflected in the declining profitability and difficulties in paying up suppliers on time. One day the Chief Executive called a meeting of all the officers and supervisors and addressed them as follows :

"Gentlemen, I am here for nearly a year but find that I have made very little progress because my ideas are not accepted. I am, therefore, forming an inter-departmental team consisting of Mr. A from production, B from finance and my executive assistant. Let the team find out the facts, the weaknesses and what has to be done to improve matters. Let scientific management be the sole criterion of working and not sentimental attitudes. In other words,

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKŚ-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

don't accept things because I am saying so – let the team say so but once the team makes a critical study and makes a recommendation let everyone wholeheartedly support it. I shall give a full brief to the team which should be carefully studied and which can become the starting point for the team's work."

Questions :

1. What are the main problems of Reliable Enterprises ?
2. What according to you are the probable causes of these problems ?
3. What broad recommendations would you like to make to revamp the working of Reliable Enterprises ?

CASE 35

GLOBAL GAMBIT*

Staring at the vast expanse of the Arabian Sea from his comer office at Mumbai's Nariman Point, Ramcharan Shukla, the 53-year old executive vice-chairman and managing director of the Rs. 500 crore Sunlight Chemicals (Sunlight), felt both adventurous and apprehensive. He knew he had to quicken the global strides that Sunlight had made in the last four years if the company was to benefit from its early gains in the world markets. However, he was also shaken by a doubt: would his strategy of prising open international markets by leveraging the talents of a breed of managers with transnational competencies succeed ?

Globalisation had been an integral part of Sunlight's business plans ever since Shukla took over as managing director in 1990 with the aim of making it the country's first international chemicals maker. Since then, Sunlight—the country's third-largest chemicals maker—had developed export markets in as many as 40 markets, with international revenues contributing 40 per cent of its Rs. 500 crore turnover in 1994-95. The company also setup manufacturing bases in eight countries—most recently in China's Shenzhen free trade zone—manned by a mix of local and Indian employees.

These efforts at going global first took shape in December 1991 when Shukla, after months of deliberations with his senior management team, outlined Sunlight's Vision 2001 statement. It read: "We will achieve a turnover of $1 million by 2001 by tapping global markets and developing new products." The statement was well received both within and outside the company. The former CEO of a competitor had said in a newspaper report "Shukla has clearly sensed the pressures of operating in a new trade order with a tough patents regime."

But Shukla also realised that global expertise could not be developed overnight. Accordingly, to force the company out of an India-centric mindset, he started a process of business restructuring. So, the company's business earlier divided into domestic and export divisions, was now split into five areas : Area 1 (India and China), Area 2 (Europe and Russia), Area 3 (Asia Pacific), Area 4 (US), and Area 5 (Africa and South America). Initially, managers were incredulous, with one senior manager saying "This is crazy, it lacks a sense of proportion."

---

* Source Business Today, January 22 – February 6, 1996, pp.118-120.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The cynicism was not misplaced. After all, the domestic market — which then contributed over 90 per cent of the company's turnover—had not only been clubbed with the areas whose collective contributions to the turnover was below 10 per cent. Shukla's explanation, presented in an interview to a business magazine : "Actually, the rationale is quite simple and logical. We took a look at how the market-mix would evolve a decade from now, and then created a matrix to suit that mix. Of course, we will also set up manufacturing facilities in each of these areas to change the sales-mix altogether."

He wasn't wrong. Two years later, even as the first manufacturing facility in Vietnam was about to go on stream, the overseas areas' contribution to revenues rose to 20 per cent. And the mood of the management changed with the growing conviction that export income would soon surpass domestic turnover. Almost simultaneously, Shukla told his senior managers that the process of building global markets could materialise only if the organisation became flat, flexible and fleet-footed. Avinash Dwivedi, a management consultant brought in to oversee Sunlight's restructuring exercise, told the board of directors: "Hierarchies buat up over the years have blunted the company's reflexes, and this is a disadvantage while working in the competitive global markets."

Shukla agreed. For too long Sunlight had been structured around the two arms of marketing and manufacturing, each headed by a vice-president. As part of the new plan, both functions were integrated and brought under the common control of a newly-created post, vice-president (chemicals). The new integrated set-up now had four hierarchical layers as opposed to the earlier system of nine layers for each arm. And each of the five reconstituted areas was headed by a vice-president geographically based at the epicentre of the market. So, the vice-president of Area I was based in Mumbai, Area 2 in Frankfurt, Area 3 in Hong Kong, Area 4 in Chicago, and Area 5 in Cape Town.

The selection of vice-presidents for the newly constituted regions posed no immediate problem. For, Sunlight had several general managers—from both arms of marketing and manufacturing—whose thinking had been shaped by the company's long exposure to the export markets. For obvious reasons, the ability to build markets was the primary criterion for selection. The second criterion was broad business perspective with a multi-functional, multi-market exposure. That was because Shukla felt it did not make good business sense to serid a battalion of functional managers to foreign markets when two or three business managers could suffice.

But specific markets also needed specific competencies. That was how Sunlight chose to appoint A SouthAfrican national to head Area 5. The logic only a local CEO could keep track of changes in regulations and gauge the potential of the booming chemicals market in the US. However, the effort was always focussed on using in-house talent. Shukla put it to his management team: "We would groom managerial talent—whether local or expatriate— for all our overseas operations from within the company and should rotate this expertise worldwide. In essence, we should develop global managers within the company."

While doing the personnel planning for each area and fixing the compensation packages for overseas assignments, Sunlight realised the importance of human resource (HR) initiatives. The HR division headed by vice-president Joseph Negi, had been hobbled for years with industrial relations problems caused by the unionisation of the sales-force. "You have to

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by KSHMoE 2025-Grant

Gandhi Memorial College Of Education-Bantalab Jammu

move in step with the company's global strategy " Shukla had told his HR managers at a training session organised by Dwivedi, who was spearheading the task of grooming global managers.

Four years down the line, Shukla felt that Sunlight was still finding its way around the task. Sure, a system was in place. Depending on the requirements of each of the four areas, Sunlight had started recruiting between 25 and 30 MBAs every year from the country's leading management institutes. During the first six months, these young managers were given cross-functional training, including classroom and on the job inputs. The training was then followed by a placement dialogue to determine the manager-area fit. If a candidate were to land, for instance, on the Asia-Pacific desk at the head office, he would be assigned a small region, say, Singapore, and would be responsible for the entire gamut of brand-building for a period of one year in coordination with the regional vice-president.

The success with which he would complete his task would decide his next job, the first full-time overseas posting. He could be appointed as the area head of, say, Vietnam, which was equivalent to an areas sales manager in the home market. After couple of years, he would return to base for a placement in brand management or finance. A couple of years later, the same manager could well be incharge of a region in a particular area. Over the past four years, Sunlight had developed 30 odd potential glot at managers into the company spanning various regions, using this system.

But, considering that the grooming programme was only three years old, Shukla felt that it would take some time for the company's homespun managers to handle larger markets like China on their own. The real problem in this programme was in matching the manager to the market. Dwivedi suggested a triangular approach to get the right fit define the business target for a market in an area. Look at the candidate's post performance in the market. And identify the key individual characteristics for that market. Dwivedi also identified another criterion: a good performance rating at home during the previous two years. Once selected for an overseas posting, the candidate would be given cross cultural training: a course in foreign languages, interactive programmes with repatriated managers on the nature of the assignment, and, often, personality development programmes on the nuances of country-specific business etiquette.

Further, an overseas manager would be appraised on two factors: the degree to which he had met his business plan targets for the market, and the extent to which he had developed his team. After all, he had to vacate the posting within three years to make place for his replacement. Achievements were weighed quarterly and annually against sales targets set at the beginning of the year by the vice-president of the region. The appraisal would then be sent to the corporate headquarters in Mumbai for review by the senior management committee. Shukla had often heard his senior managers talk appreciatively of the benefits of transrepatriation. "The first batch of returnees are more patient, tolerant, and mature than when they left home", said Manohar Vishwas, Vice-president (Finance) and they handle people better."

But the litmus test for the company, Shukla felt, would be in managing a foreign workforce—across diverse cultures—at the manufacturing facilities in six countries outside India. The Shenzhen unit, for instance, had 220 employees, out of which only 10 were expatriate Indians. Further, the six-member top management team had only two Indians. Of course, the mix had been dictated by the host country's laws and language considerations.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education,Ranbir Jammu

Some of the African markets had their own peculiarities. The entire team of medical representatives, for example, comprised fully-qualified, professional doctors. Sharad Saxena, Vice-president, Area 5, told Shukla: "As there is heavy unemployment in Africa, doctors are attracted to field sales work for higher earnings." There were other problems too; as both Chinese and Russian managers had been brought up on a diet of socialism, they were not used to displaying initiative at the workplace. Dwivedi had suggested that regular training was one of the ways of transforming the workforce. So, Shukla hired a training group from Delhi's Institute of human Resource Management Training to spend a month at Shenzhen. This was later incorporated as an annual exercise.

Observing that interpersonal conflicts were common in situations where employees with single-country background were working together, a new organisational structure was introduced. Here, Sunlight positioned local managers between an Indian boss and subordinate. Similarly, some Indian managers were positioned between a local boss and subordinate, says Avishek Acharya, vice-president, Area 3 : "There were some uncomfortable moments, but it led to a faster and better integration of management principles, work practices, and ethics."

Obviously, reflected Shukla, Dwivedi was doing a great job. As he watched the setting sun, however, he found his thoughts turning to a more fundamental question.

Questions :

1. Had Mr. Shukla made a mistake by not developing his strategies first?
2. Was he mixing up his priorities by putting people of management ahead of issues like marketing, technology, and global trade ?
3. Should he have opted for more locals in each country ?
4. If expatriate managers failed more often than they succeeded in India. wasn't the same true for other countries ?
5. Is Sunlight on the night track in going global without trying to consolidate its position further back home ?
6. Can it realise its global vision with its current mix of strategies ?
7. Are there any gaps in its game plan to conquer the globe ?

CASE 36

UPTRON ELECTRONICS LIMITED (WHICH IS MORE IMPORTANT – RECRUITING OR RETAINING ?)

Uptron Electronics Ltd., is a pioneering and internationally reputed firm in the Electronics industry. It is one of the largest firms in the country. It attracted employees from internationally reputed institutes and industries by offering high salaries, perks etc. It has advertised for the position of an Electronics Engineer recently. Nearly 150 candidates working in various electronics firms applied for the job. Mr. Sashidhar, an Electronics Engineering Graduate from Indian Institute of Technology with 5 years working experience in a small electronics firm was selected from among the 130 candidates who took tests and interview. The interview board recommended an enhancement in his salary by Rs. 500 more than his present salary at his request. Mr. Sashidhar was very happy to achieve this and he was congratulated by a number of people including his previous employer for his brilliant interview performance and good luck.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Mr. Sashidhar joined Uptron Electronics Ltd., on 21st January, 1986 with a great enthusiasm. He also found his job to be quite comfortable and challenging one and he felt it was highly prestigious to work with this company during the formative years of his career. He found his superiors as well as subordinates to be friendly and co-operative. But this climate did not live long. After one year of his service, he slowly learnt about a number of unpleasant stories about the company, management, the superior-subordinate relations, rate of employee turnover, especially at higher level. But he decided to stay on as he promised several things to the management in the interview. He wanted to please and change the attitude of management through his diligent performance, firm commitment and dedication. He started maximising his contributions and management got the impression that Mr. Sashidhar has settled down and will remain in the Company.

After sometime, the superiors started riding over Mr. Sashidhar. He was over-loaded with multifarious jobs. His freedom in deciding and executing was cut down to size. He was ill-treated on a number of occasions before his subordinates. His colleagues also started assigning their responsibilities to Mr. Sashidhar. Consequently, there were imbalances in his family life, social life and organisation life. But he seemed to be calm and contented. Management felt that Mr. Sashidhar had the potential to hear with many more organisational responsibilities.

It was quite surprising to the General Manager to see the resignation letter of Mr. Sashidhar along with a cheque equivalent to a month's salary one fine morning on 18th January, 1988. The General Manager failed to convince Mr. Sashidhar to withdraw his resignation. The General Manager relieved him on 25th January, 1988. The General Manager wanted to appoint a committee to go into the matter immediately, but dropped the idea later*.

Questions :

1. What prevented the General Manager from appointing a Committee ?
2. What is wrong with the recruitment policy of the Company ?
3. Why did Mr. Sashidhar's resignation surprise the General Manager ?

CASE 37

MADRAS FERTILISERS LIMITED (TRUST THE TESTS)

Madras Fertilizers Ltd—the biggest Fertilizer Company in the country —was established by the Government way back in 1961. Several management experts in the country were appointed as the Directors of the board to run the company in a professional way. The company constituted a team of specialists to develop and administer tests and interviews to select candidates for the post of Deputy General Manager (Marketing). The team has selected a promising candidate Mr. Praveen, a Post-graduate in Statistics and a D.Litt. degree holder from U.S.A. as Deputy General Manager (Marketing) for Southern Area after administering a battery of tests scientifically. Mr. Chaitanya, an M.B.A. from the S.K University, with 10 years experience in some tests was below the cut-off point and overall score was less than that of Mr. Praveen. However, Mr. Chaitanya was employed as Deputy General Manager

* Source –Rao Subba – *Essentials of Human Resource Management and Industrial Relations*, 1996.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education, Bantalab, Jammu

(Marketing) in Pragati Fertilizers Ltd., Hyderabad without administering any tests. M/s. Pragati Fertilizers Ltd., is a medium-scale organisation and its market share was only 10% in the southern region, whereas Madras Fertilizers Ltd., was enjoying 50% market share in the south in 1971, when Mr. Praveen took charge.

Mr. Chaitanya has been the in-charge of the southern region since 1971. It is said that the increase in market share from 10% to 60% during 1971 to 1986 of Pragati Fertilizers Ltd., in the southern region has been conclusively due to the efforts of Mr. Chaitanya.

The market share of M/s. Madras Fertilizers Ltd., dwindled from 50% to 15% during 1971 to 1986 and Mr. Praveen has been made responsible exclusively for this situation.

The Board of Directors of Pragati Fertilizers Ltd., knew the reasons for the success of Mr. Chaitanya, whilst the Board of Directors of Madras Fertilizers Ltd., appointed a Committee to go into the matter of validity and reliability of tests.

CASE 38

HI-TECH ELECTRONICS LIMITED (WHOM DO YOU SATISFY ? THE YOUNG OR OLD ?)

Hi-Tech Electronics Limited was established in 1975 in Faridabad. It produces and markets all types of electronic goods. It has been one among the top five companies as for the level of technology and one among the top three companies regarding marketing of the products. The company's policies and practices concerning human resources management are top in the country. The company's salary administration policies and practices were taken as guidelines not only by the other companies but also by various wage boards and pay commissions in the country. But this company has been struggling a lot because of a minor problem relating to administration of salary and benefits. The problem is stated hereunder.

The company employed nearly 400 young graduate and post-graduate engineers just three years back. These employees form the team of the company's present human resource. Of course, the older generation of company's employees also formed the team of company's human resource while they were young. The older employees occupied higher positions in all the departments including Human Resources Department. The company's salary policy and benefits policy were formulated five years back mainly on the basis of the older employee's desires. As such, salaries are fixed at very low level compared to other similar industries and the benefit schemes include an exhaustive list of benefits including all types of retirement benefits. The cost retirement benefits would be nearly 25% of the cost of the present staff to the company.

The young employees demanded the management to pay immediately whatever can pay rather than providing extensive fringe benefits. According to them, the pay pocket motivates them much more than benefits which they get mostly in kind. But the older employees view that fringe benefits benefit much rather than currency which taxes them heavily. The company asked the personnel manager to settle the issue.

Questions :

1. What is the crucial issue in this case ?
2. If you are the personnel manager of the company, whom do you satisfy ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education,Bantalab, Jammu

CASE 39

COROMONDEL CEMENTS LIMITED (TWIST VS. TRUST)

Mr. Murthy, the General Manager (Personnel) of Coromondel Cements Ltd., Mumbai, is going to retire within two weeks after rendering his services to the company for 18 years in various capacities. He is assisted by the Personnel Manager in all the personnel functions. He directly reports to the Managing Director of the Company. The General Manager (Production) was elevated to the position of Managing Director just two months ago.

Mr. Murthy has been performing various personnel functions since 1976 as Chief Personnel Manager. He has been given complete freedom and authority regarding all personnel functions including wage fixation, adjustments, revisions, bargaining etc. The employees several times reported their dissatisfaction about the wage level to the Managing Director. But the Managing Director used to convince them about the systems and techniques followed by Mr. Murthy in fixing wages.

The employees got a doubt about the information supplied by Mr. Murthy about the wage levels in comparable industries and the living cost index. Consequently, they approached Mr. Murthy for clarification. Mr. Murthy did not clarify their doubt immediately and asked them to meet him after 10 days so that he will collect and provide all the facts, data and information. Accordingly, they met him after 10 days. Then he simply said that "the information provided in the latest collective bargaining meeting is correct but the information supplied in the earlier meetings was not completely correct. He further added that he was forced by the top management to supply such incorrect information." This situation resulted in industrial unresting the company for 14 days and the new Managing Director solved the issue by enhancing the wages by 100 per cent.

Questions :

1. What is the communication problem involved in this case ?

CASE 40

UNWANTED PROMOTION

Mrs. Deena joined Syndicate Bank as a clerk after M.Sc., in 1968. She was aspiring for the promotion to the Officer's post. She completed CAIIB to which certain weightage is given in promotion. After getting the eligibility service in 1972, she applied for officer's post in the bank under the promotion quota.

She could not get the promotion as her score in the written test was quite low. But at that time she was transferred to her native town, i.e., Rajahmundry. She tried for Officer's post several times but could not succeed. She was vexed with her trials. But she was elected to the office of President of local branch of Bank Employees' union. Since then she has become a problem to the management. She could solve a number of problems of the members of her union.

Consequently, almost all the clerks of the branch joined her union. However, she has been continuing her trials for officer's post. She was not given the promotion in 1980 though she got more than the minimum score in the written test on the ground that her interview score was

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

less than the minimum. In fact, the confidential report of the branch manager regarding her trade union activities worked against her in this case. With this failure she decided not to make any further trials and activised the trade union activities. Further, she started a business of dealership in automobiles. She succeeded in diverting the deposits of the business community in her bank to other banks. Management has decided to promote her to the Officer cadre based on the recommendations of the new Branch Manager. One day Mrs. Deena received appointment order for the Officer's post from the head office of the bank. All the colleagues including the Branch Managers congratulated her. But she said that she does not want that promotion. It was a quite surprising to all of them.

Questions :

1. Do you think that the management's action of not selecting Mrs. Deena in 1980 basing on the confidential report of the Branch Manager is right ?
2. Why does Mrs. Deena not want promotion ?
3. Explain the theoretical base related to this case.

CASE 41

JOB SPECIFICATION

Mr. Kishore is a Branch Manager of Indian Bank at one of its village Branches. His staff included two clerks and an attender. Very often Mr. Kishore was left alone in the bank after 9 p.m. totally accounts, day books and complete all other formalities.

On the 30th December, Mr. Kishore was working till past 2 a.m. tallying the accounts since hardly one day is left for closing the accounts for the year. On this fateful night, the Branch Manager was attacked by aband of robbers, who looted Rs. 5 lakhs after brutally wounding Mr. Kishore's right hand, which had to be amputated later. After his recovery, the Branch Manager applied for compensation. The Bank Management was of the opinion that Mr. Kishore violated the job specification by working beyond the stipulated hours of work. He, in their views, was not entitled to any compensation as the accident occured during non-employment hours. They also called for an explanation as to why the amount lost cannot be recovered from his salary and Provident Fund.

Questions :

1. How do you justify the bank's stand in this case ?
2. What modifications do you suggest in job specification to overcome such incidents in future ?

CASE 42

PLAN FOR ORIGINAL OF BACK-UP (HRM PLANNING)

Bhadrachalam Paper Mills Ltd. was started in 1971 with high level technology and with its initial capital of Rs. 500 crores. It required candidates with minimum of 10 years experience in the same line to handle the new technology as it found that the candidates with less than 10 years experience normally do not possess the required skills. Itfound that A.P. Paper Mills Ltd, Rajahmundry and Sirupur Paper Mills as most suitable sources of recruitment. It used all the recruitment techniques and offered higher salaries and benefits generously. Consequently it got suitable employees with 15 years and more experience. The cost of

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh.In collaboration with IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

employees was as high as 65 per cent of the total cost of production. But the company did not take it seriously as the rate of return from the employees was 300 per cent more than their cost. The Chief Personnel Manager was rewarded suitably by the Managing Director in 1975 for enlisting the services of experienced personnel in the service of Bhadrachalam Paper Mills. In 1988, when a new Managing Director took over the reins of the company, the Chief Personnel Manager was called in to explain his actions in appointing persons with 15 or more years of experience in the service of company. Since majority of these employees are going to retire by 1990 the company is again threatened by dearth of experienced personnel.

Questions :

1. Was the Managing Director right when he rewarded the Chief Personnel Manager for enlisting the services of experienced persons in the service of Bhadrachalam Paper Mills ?
2. Would it have been better to hire raw hands, provide necessary training and allow them to develop their potential in the service of the company than merely to look around for experienced personnel and booking them through attractive means ?
3. How would you ensure continued success of a company in the face of such crisis ?

CASE 43

KALYANI ELECTRONICS CORPORATION LIMITED (UNWANTED PROMOTION)

Kalyani Electronics Corporation Ltd., recently diversified its activities and started producing computers. It employed personnel at the lower level and middle level. It has received several applications for the post of Commercial Manager—Computer Division. It could not decide upon the suitability of the candidate to the position, but did find that Mr. Prakash is more qualified for the position than other candidates. The Corporation has created a new post below the cadre of General Manager, i.e., Joint General Manager. Mr. Prakash agreed to it viewing that he will be considered for General Manager's position based on his performance. Mr. Anand, the Deputy General Manager of the Corporation and one of the candidates for General Manager's position was annoyed with the management's practice. But, he wanted to show his performance record to the management at the next appraisal meeting. The management of the Corporation asked Mr. Sastry, General Manager of Televisions Division to be the General Manager in-charge of Computer Division for some time, until a new General Manager is appointed. Mr. Sastry wanted to switch over to Computer Division in view of the prospects, prestige and recognition of the position among the top management of the Corporation. He viewed this assignment as a chance to prove his performance.

The Corporation has the system of appraisal of the superior's performance by the subordinates. The performance of the Deputy General Manager, Joint General Manager and General Manager has to be appraised by the same group of the subordinates. Mr. Anand and Mr. Sastry know very well about the system and its operation, whereas Mr. Prakash is a stranger to the system as well as its Modus Operandi. Mr. Sastry and Mr. Anand were competing with each other in convincing their subordinates about their performance and used all sorts of techniques for pleasing them like promising them a wage hike, transfers to the job of their interest, promotion etc. However, these two officers functioned in collaboration with a view to pull down Mr. Prakash. They openly told their subordinates that stranger should not occupy the 'chair.' They created several groups among employees like pro-Anand's group, pro-Sastry's group, anti-Prakash and Sastry group, anti-Anand and Prakash group.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Mr. Prakash has been watching the proceedings calmly and keeping the top management in touch with all these developments. However, Mr. Prakash has been quite qork-conscious and top management found his performance under such a political atmosphere to be satisfactory. Prakash's pleasing manners and way of maintaining human relations with different levels of employees did, however, present, the eruption of an anti-Prakash wave in the company. But in view of the politicisation, there is no strong pro-Prakash's group either.

Management administered the performance appraisal technique and the subordinates appraised the performance of all these three managers. In the end, surprisingly, to the workers assigned the following overall scores : Prakash: 565 points; Sastry: 420 points; and Anand: 260 points.

Questions :

1. How do you evaluate the worker's appraisal in this case ?
2. Do you suggest any techniques to avert politics creeping into the process of performance appraisal by subordinates ? Or do you suggest the measure of dispensing with such appraisal systems ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART III
THE CASE STUDY EXERCISES

SECTION III
CASE STUDIES IN PERSONNEL MANAGEMENT

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

SECTION III
CASE STUDIES IN PERSONNEL MANAGEMENT

CONTENTS

Case 1 Delana Hosiery Works Limited
Case 2 Pritam Engineering Works
Case 3 Robertson Company
Case 4 Purohit Group of Industries
Case 5 Job Satisfaction
Case 6 Promotion
Case 7 Seemantini Agro Product Company
Case 8 Vishal Industries Limited
Case 9 Bharat Engineering Company
Case 10 Company Secretary
Case 11 J.K. Company Limited
Case 12 Pattern of Behaviour
Case 13 Distribution of Questionnaires
Case 14 Kiran Mills (Training of Operative Staff and Supervisors)
Case 15 Jai-Bharat Machine Tools Limited
Case 16 Samuel Godfray Steels Limited
Case 17 Latif Trading Company
Case 18 Damodar Electrical Supply Corporation
Case 19 Mr. Hardik's Case
Case 20 Management Development Programme
Case 21 Absenteeism in Suchitra Leather Goods Private Limited
Case 22 The Standard Textile Printing Works
Case 23 The Employee Response
Case 24 The Unrelated Behaviour
Case 25 The Story of a Strike
Case 26 Excel Engineers.
Case 27 ABC Engineering Limited
Case 28 Dilemma of Mr. Kishor Kumar.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 1

DELANA HOSIERY WORKS LIMITED

Delana Hosiery works Ltd. is a small-scale industry producing readymade garments. The owner of the company believed in informal human relations and decided to recruit man-power on ad-hoc basis, without issuing appointment orders, issuing written communications to his employees in personal capacity and not insisting on formal procedure of personnel management. For first two or three years everything went all-right and the team functioned like a family unit. Subsequent number of employee grew sizeably. The annual increments were given on the basis of personnal relations with the owner, recruitment was made through acquaintances, rewards given involved favour to some employees. One small group of employees, constantly neglected by the owner, became hostile and secretly approached the union's office. They became members of the union. Very soon other groups of employees, loyal to the employer also became member of the union.

The owner did not like the employees attitude. Initial motivation of the owner appealing employees not to become members of the union went in vain and proved futile.

The legal recourse taken by the union ultimately resulted in directing the owner to issue appointment orders in writing to all employees, issue confirmation letters as per rules in writing and give annual increments based on performance. In all areas, informal procedure of personnel management was required to be changed. The arrears paid on account of difference in minimum wages worked out in the neighbourhood of Rs. Two to three lakhs. Besides, the employees started working on "Work to rule" basis. The owner contacted the consultant, who advised to set procedure in all areas of personnel management but the owner looked to the entire episode with prejudices and acted vindictively.

The production and productivity declined substantially, reducing the profit ratio below the level of break even point.

Questions :

1. Comment on the Recruitment, Confirmation and Promotion / Increment policy of the Management.
2. Is informal method of making recruitment, giving increments always harmful ? What care you will take as Personnel Manager ?
3. Issue guidelines to the owner regarding recruitment, increment and promotion as a consultant, in brief.

CASE 2

PRITAM ENGINEERING WORKS

Mr. Gopalan is a Senior Manager working Marketing Department of Pritam Engineering works. His efficiency and loyalty to the chairman of the company and skill of impressing relatives of the owner have lead to his accelerated promotion upto Sr. Manager's level. While he gained popularity among higher management circle, he was unpopular among his subordinates. He showed favour on all counts to one particular community and employees from that community enjoyed highest privileges whereas others were kept at distance, depriving even legitimate benefits to them. The injustice meted out to them was tolerated by the employees only because of best informal relations of Mr. Gopalan with the Chairman.

The son of the Chairman, returned from U.S.A. after completing his higher Education in business management took over as Incharge of the company. The Chairman handed over

CC-0. Panjab Digital Library Collection. Panjab University, Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

practically all areas to his son and kept himself a titular authority. As a consequence of this change, the importance of Mr. Gopalan was reduced to negligible entity. The dissatisfied group of employees gave full account of the happenings to the son of the Chairman and prayed of justice.

The son of the Chairman as incharge of the administration thoroughly probed into complaints and found truth and substance.

In a week's time, the following actions were taken, by the Incharge of the factory :

1. Mr. Gopalan was removed from the Marketing Department and was given very inferior kind of work in Stores Department.
2. Grievances of all employees were to be investigated by the new Manager of Marketing Department.
3. Mr. Gopalan was directed not to have any access to the record of Marketing Department.
4. Those employees who were favoured by Mr. Gopalan were transferred to sister concerns of the company at out-stations, after obtaining their consent, which carried force.

Questions :

1. Who is basically responsible for such nourishment of favouritism and unfavouritism ?
2. Comment on the actions taken by the the Chairman at Sr. No. 1 to 4 above.
3. Do you think the Chairman should have intervened in the matter. Comment with objectivity.

CASE 3

ROBERTSON COMPANY

Mr. David Thomas is working as a confirmed Stenographer in Robertson company, employing about 400 employees. The company is producing spare-parts required for four-wheelers. As a matter of orthodox policy of the company, secretarial services are shared by two or more bosses and as such Mr. Thomas was asked to look after the work of Manager-Finance and Manager-Material. The Finance Manager Mr. Karwande engaged Mr. Thomas normally for a longer period, due to which Mr. Narayanan, the Manager-Material suffered from absence of prompt secreterial work. The relations for Mr. Narayanan with Mr. Thomas, Steno were strained. He complained on several occasions against Mr. Thomas and requested the Personnel Department to take action against Mr. Thomas. Due to the overwhelming influence of Mr. Karwande, the Finance Manager, some-how no action was taken. Once Mr. Narayanan had really very urgent job, which needed Mr. Thomas' services. He could not become available. When Mr. Narayanan made written complaints to the General Manager (Personnel) stating part experience of Mr. Thomas, the General Manager (Personnel) issued show-cause notice to Mr. Thomas.

The Finance Manager attempted to intervene, but show-cause notice issued to Mr. Thomas was not withdrawn.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Next day, Mr. Thomas tendered resignation and without waiting for acceptance of the resignation, left the office, saying that he was the victim of defective personnel policy and system of dual control.

Questions :

1. State the principle of Management to which the system of dual control relates.
2. Comment on the policy of entrusting work of two bosses to one person.
3. React on the remarks of Mr. Thomas that he was a victim of defective personnel system of dual control, and his adrupt departure.

CASE 4

PUROHIT GROUP OF INDUSTRIES

Asked about the kind of problems he faced, Mr. Beriham, the Manager of Personnel Services of Purohit Group of Industries narrated the following instances :

1. When the Manager of factory "c" requested that a separate post be created for their service division in view of the increasing operations, the top management sanctioned the post and formally advertising the post, appointed an engineer who was related to them. The Factory Manager found that the new man was no doubt a good engineer but he was not a proper choice to head the service division because he stammered. The head of the service division had, for the most time, contacts with the customers. Some of the customers called up the Factory Manager just to tell him that the company provided more fun than service to their customers. The top management were aware of this limitation of the candidate at the time of the interview; but they thought that engineering talent was more important for the job. The Factory Manager reported that the newcomer could not be assigned any other position as he was specially recruited for the newly created post.

2. Six months ago, a candidate who had passed the final examination of the Institute of cost and Works Accountants, was appointed temporarily as a cost accountant on a consolidated salary of Rs. 3500 per month. Now, he was selected by the U.P.S.C. on a Salary of Rs. 5000 per month and was asked to join duty within a month. The employee informed the management about his selection 10 days before the due date of his joining government service and requested them to relieve him. When the Factory Manager told him it was customary in their company to give at least one month's notice on either side for all temporary appointments, the candidate said that he was not aware of any such rule as he was not given anything in writing at the time of his appointment and argued that he had a right to quit any time. Asked why he did not inform the management about his selection as soon as he received the appointment order, i.e. 20 days ago, he confessed that in case the management got rid of him at once, he would have lost his pay for 20 days.

3. A year ago, a salesman aged 47 was appointed. He had an impressive personality and had an excellent record of service in the previous positions which were mostly on a commission basis. This person had started his career as a salesman since graduation and had a long experience of 27 years. The management was quite impressed with him and appointed him as a salesman on a salary of Rs. 800 per month. At the end of the first year, his performance say, however, not satisfactory. The Sales Manager reported that this salesman was a serious liability

CC-0. Jangamwadi Math Collection. Digitized by eGangotri Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Start

Gandhi Memorial College Of Education Bantalab Jammu

4. After one year and six months' service in the company, a first class engineer tendered his resignation. The management was very much impressed with his work and wanted to retain him at any cost. They were even prepared to increase his salary substantially. But the engineer flatly declined all offers. Asked why he was so adamant, he said "I don't like the way you people work here - long faces and short noses. I worked forty five days here, but I don't know even the man working next to me ! I thought, I could work with people rather than machines in this company."

Questions :

1. State what are the main issues involved in four cases ?
2. Is there a common problem with the organization ?
3. What action would you take as Personnel Manager ?

CASE 5

JOB SATISFACTION

Baburao had prospered fairly well in his service and had a reasonably good pay and status. He, however, started feeling clamped when the Boss's young son joined the business and started interfering with the day-to-day work of senior officers. He also felt that for proper development ; his stills demanded a wider field, which would not be available under the boss's son.

He toyed with the idea of standing on his own legs. As a result of discussions with friends, he picked out one friend Dinesh who was in more or less a similar situation. They together listed the alternatives before them as follows :

(a) To continue the status-quo

(b) To seek other employment

(c) To join together to form a consultant firm

(d) To join together to form a small jobbing firm

(e) To do as in (c), but independently

(f) To do as in (c), but independently.

When they analysed the alternatives they felt they had not got the finance or the "influence" to ensure a degree of confidence for success. At the same time, to continue as it was to court frustration and demoralization.

Some Issues :

1. Was the son introduced into the business after a formal training, appreciation of working situation, appreciation of men who have worked and helped business to grow so far. appreciation of consequences of premature action on human feelings and practical results ?
2. Could he be over bearing, because of an inherent feeling of insecurity due to lack of the above ?
3. Did his father think of the possibility of such problem ? If yes, why did he not do anything about coming up ? If no, what did he do after the problems staned coming up ?
4. To what extent is this episode representative of the Indian situation ?
5. What is the contribution of such episodes to the pace of economic development of the country as a whole ?
6. To what extent does it affect the happiness of others ? How far does it uproot people and organizations and cause national waste ?

(AIMA - PGDM)

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 6

PROMOTION

Nupur is a large concern had to substitute a retiring General Manager. After considerable deliberation it was decided to make an inside man for this purpose, all senior most people were considered and it was agreed to appoint a particular person as a General Manager.

After a period of two years, one of the senior men raised the issue his designation in relation to the promoted man. Discussion ensured. The promoted man naturally did not like it, but had no alternative as he felt the management wanted to satisfy the other man. Finally, it was agreed to upgrade the designation of the other man and suitably qualify that of the promoted man.

Some Issues :

1. Could this have affected the loyalty or seniority of the promoted man ?
2. How is it that the claim of the other person was not considered enough at the time of selection and considered so good as to revise the change made after two years ? Could it be that
   (a) the original selection was faulty, if so, why not displace the promoted man ?
   (b) at the stage of reopening the issue, the relative importance of their functions changed at the prevailing phase of development of the concern if not, why was it reopened and change made against the will of the promoted man and without displacing him ? If yes, does it mean that the decision were affected more by utility than the principle and would that pay dividends in the long run ?
3. Why did the promoted man not resign ? Could it be that he did not mind the change, or he could not risk a change ?
4. Is this situation representative even in a small way of the Indian Industrial Climate ?
5. Can it be the pace of country's growth or retard it ? Does it help an individual firm's growth or retard it ?

CASE 7

SEEMANTINI AGRO PRODUCT COMPANY

In a company called SEEMANTINI Agro Product, the following incident took place in the personnel department. There was a supervisor. This supervisor had risen to his department position by way of his hard work and sincerity. In his good old days, when he worked as a clerk in this company for fifteen years, before becoming a supervisor, he had been a staunch active and dynamic unionist.

After becoming a supervisor in response to change in his responsibility he was forced to drift away from union activities. However, it must be noted here, that his being promoted to a supervisory job was not a busy off. He was promoted because he deserved that recognition. The union leaders had for reasons best known to them not liked the clerks promotion to that supervisory post.

Although with excellent inter-personal skills that supervisor had, he could some how manage to do his work satisfactory. On one fine morning whilst talking to the person-peon of the department, the supervisor asked him to do certain work. The peon refused it and there was exchange of heated arguments, a lot of people gathered around and at a certain of time the supervisor offensively gesticulated towards the peon.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The basic issue remained aside and every one around started accusing the supervisor for his offensive gesticulation. The whole of the department refused to work unless the supervisor apologised for this behaviour. The union was brought into the picture.

Some Issues :

If you were the personnel manager, how would you have handled the issue ? Analyse the situation and give your decision.

CASE 8

VISHAL INDUSTRIES LIMITED

Vishal Industries Ltd., is a medium sized engineering factory employing 250 employees. The Factory Manager advised the Personnel Manager of the company to select a right man to fill up the vacancy of a "Time-Keeper". The Personnel Manager inserted advertisement for this post in prominent local newspapers and received innumerable applications although specific job description and job requirements were embodies in the advertisement. After preliminary screening of applications, the Personnel Manager selected only 6 applications out of 197 and sent them "Application Blank" for collecting their detailed information. On receipt of Applications Blank and on further scrutiny, it was observed that two candidates were age-barred, although they had a good experience at their credit and one candidate had a suspicious personal life. The Personnel Manager, therefore, selected only 3 candidates and sent them call-letters for a personal interview on a stipulated date.

Only two candidates out of three appeared for the interview before the Interview Panel consisting of three interviewers. The panel had therefore to take a decision on selection either of Mr. Tukaram Patil or Mr. Girish Mahajan. The Personnel traits and merits of these two candidates are a follows:

Mr. Tukaram Patil, a young man of 30 years, has worked for a year in the Time Office of a reputed company. He is exceptionally sociable, affable, amicable individual who enjoys mixing with employees. His verbal skills are average, but he has a good degree of hardness. He can sit late in office and prepare payrolls of employees and complete the checking of paysheets a day before the actual date of payment. He does not demand extra remuneration or over-time for sitting late hours in office. He is a good sportsman also and has worked as a secretary of sports club. A glaring weakness as revealed during interview is that Mr. Patils memory is not strong and he may forget a task assigned to him. But he is straight-forward and frankly accepts his limitations.

Mr. Girish Mahajan, also a youth in his 25 years, and is having a good personality above average communication skills, but at times "rough" in dealing with people. His clerical and computational skills are excellent. He does not on his own mix with people or take part in extra curricular activities. He joined a textile mill as a clerk in "Time Office" and was promoted to the post of "Assistant Time-Keeper" within a period of 5 years. He is against the principle of sitting late in office. His sense of time-keeping, punctuality is good and regular. He feels that attendance of employees must be posted in regular Register on the same day and paysheets must be kept ready on 1 st of very month and sent to Accounts Department, for checking before 3rd inst. Similarly, he prepares PF/ESI statements and returns in time and submits the same to respective Government authorities in time. However, Mr Girish Mahajan is short tempered

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab,Jammu

and at times he had also heated arguments with managerial executives. He limits his existence to his working table and if any-body unconnected with time-office work comes near his table, he loses his temper.

Some Issues :

1. In terms of overall capabilities and job requirements, whom will you recommend out of two candidates in your capacity as a Personnel Manager ?
2. In case, other two members of Interview Panel defer from your decision, how will you convince them for right selection of right man ?
3. What criteria you have used to arrive at your decision ?

CASE 9

BHARAT ENGINEERING COMPANY

Bharat Engineering Company is a large heavy-engineering unit. A lot of importance was attached to the recruitment and training of its senior supervisors. Apart from those selected from within the organization, every alternate year, the company recruited about ten young engineering graduates, who were then trained for two years, before they were appointed as senior supervisors. About 40% of the vacancies for senior supervisors that occured in the organization were filled in this way. This was a planned programme to impart vitality to the organization. Besides, many of the oldtimers who had risen from the ranks did not possess an academic background, so that they could not keep pace with technological changes. Management also believed that, in the rapidly changing conditions of industry, a band of technically competent supervisors played a pivotal role besides serving as a pool for future departmental managers.

Engineering graduates were selected from those who replied to an all Indian advertisement. For the selection of one engineer, an average of eight applicants were called for interview. A selection committee consisting of the General Manager, the Production Manager, the Personnel Manager, and the Training Officer, interviewed the candidates. The interview was preceded by a written test and only those who secured 40% marks qualified for the interview.

The engineers selected were given a two-year course of intensive theoretical and practical training at a well staffed and equipped Training Institute. This also trained trade apprentices and operatives required by the company. Lectures on theory were given at the Training Institute and practical training in all the works departments under the guidance of qualified and experienced instructions. A few lectures by senior officers of the company acquainted them with company policies on different matters. In the last quarter of the training programme they were deputed to work full time to familiarise themselves with conditions in the departments where they were to be eventually absorbed. On completion of training the graduate engineers were offered appointments depending on the performance and aptitude shown during training. However, most of them had some difficulty once they began to work. According to management, some of the heads of departments, who were themselves not qualified engineers, did not have confidence in the young men. They preferred subordinates who had come up from the ranks, to hold positions of responsibility. A few stated that it would take years before these youngsters could pick up the work. Besides, some of the employees whose promotion was affected by the appointment of graduate engineers, did their best to run

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

them down as a group, sometimes playing on the class feeling of the workers. Several supervisors who were not graduate engineers also spoke derisively of them as the 'blue-eyed boys' of the organisation. Management knew that many of the graduate engineers were not fully utilized nor was any attempt made to test or develop their potentialities. It was clear to them that many of them were dissatisfied with their work life. Some, who did not get the promotional opportunities of their colleagues in other departments, were looking for better jobs elsewhere.

On the other hand, according to management, the young graduate engineers were themselves partly responsible for this hostile reaction. Some of them failed to appreciate that it took time for a newcomer to be accepted as a member of the work-group. They did not realise that they would only be fully productive after five to seven years experience in the organisation. A few thought that they belonged to a superior cadre and threw their weight about. They were not concerned about the problems of the rank and file who worked under them.

In spite of these drawbacks, the General Manager felt that these men formed a set of disciplined supervisors. They had pride in their profession, and, with the extensive training they had received, would be able to take up any responsible position in the organisation in the course of time.

CASE 10

COMPANY SECRETARY

A few years ago, I had an opportunity to interview an undergraduate stenographer, then employed as a P.A. to a Technical Director. His ambition was to become a company secretary in reputed organisation. His salary expectation was around Rs. 1,000 per month at age of 35 years.

I found during the discussion that :

(a) His financial position was average;

(b) He was staying with his married brother who had three children and only two rooms;

(c) He had a father and mother who were regularly sent financial assistance and

(d) His work of typing and attending a Director was exhausting him and at times unnerving him.

On the other side :

(a) He was very hard working.

(b) His factory timings were such that he could not take advantage of evening college facilities and

(c) He had a senior officer who was not only enlightened, but also encouraging.

Within two years, he graduated with economics and then did his commerce degree course followed by a law degree in another couple of years. He purposely specialised in general subjects like Economics, Accounts and Law, so that he could take up an administrative job and preferably secretarial work. He found that he did not have enough opportunities in the organisation which gave him the facilities, enlightenment, and encouragement to come up in life as successful man. He reluctantly left the organisation took up the post of an assistant in pharmaceutical company where he is now a manager.

Some Issues :

1. Analyse the above case and suggest the best possible, the company could have done ?
2. What was wrong with the steno or organisation ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab, Jammu

CASE 11

J.K. COMPANY

J. K. Company Limited is a large private limited company employing 7000 workers in a cargo business with branches throughout South India with its head office in Madurai. The Madras office had to face a peculiar problem. The office had eight office assistants, three supervisors and a manager. The assistant's job was to book cargo, delivery, canvassing etc. Which formed the bulk of a day's work. The supervisors were there to sign important documents, take decisions, supervisors cargo movement and attend to customer complaints. This system was prevalent in the section for quite some time, but now here in the employment letter to the supervisor, was it stated that the supervisors need not attend to the counters. Their employment letter stated that they will continue to perform the duties of assistants as well as supervisors.

Out of the eight assistants, three were promoted as supervisors and only five assistants were there to attend the counters. The three promoted supervisors, when asked to man the counters, refused to do so since the previous supervisors did not do so. When this problem was brought to the notice of the manager, the manager decided that the supervisors need not attend to the counters. His view was that the supervisory staff deserve certain privileges on promotion after ten to fifteen years of services.

As a result of this, work load increased on the assistants: customer complaints began to increase and a lot of friction developed among the assistants and supervisors. When the Management was requested to give more assistants in order to case the situation, they refused and asked the manager to work with the existing staff since there was a shortage of staff in other branches.

The questions which arise from the above case are :

1. Is the manager's action justified ? If not, what is the alternative action available to him ?
2. What should the supervisors have done to ease the situation ?
3. What action should the Management take in order that such situations do not arise in other branches also ?

CASE 12

PATTERN OF BEHAVIOUR

Mr. X, an MBA in his early fifties, an administrator occupying No. 2 position in the hierarchy of a large organisation had a number of junior level managers under him. He also had in the hierarchy, a couple of supervisors inspectors (both male and female) and a number of junior assistants working under him. A jovial person and a workaholic Mr. X was keen on the application of his formal education in management and innovative techniques. And therefore, he used to move freely with his subordinates and colleagues. Firm but fair, tought but tender were his mottos. He was recently transferred to a place where orthodoxy still persisted.

Some of the junior assistants in the new set up were extremely intelligent and compensated for the average intelligence of the supervisor. Any important work assigned to Mr. X was completed successfully with their help.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Mr. X noticed a changed pattern of behaviour in his supervisors and was concerned about it. When he tried to probe the reasons behind it, he was surprised to know that it stemmed from his own casual behaviour with the staff. It was felt that his language was too familiar (in the case of ladies, it conveyed a misconception of closeness and with men, it was perceived as disrespect).

The matter reached his boss also. The boss, who was his well wisher pointed out that he should change his pattern of behaviour. Mr. X replied that the approach that he used with youngsters, peers and older people was one of affection, familiarity and deference, respectively. He further argued that he did not stand on formalities arising from his position in the office. Unfamiliarity with the language and ambiguity regarding the usage of words were other factors he quoted as reasons for the present dilemma. Moreover, colleagues who were jealous of Mr. X were fanning the ill-feeling he felt.

Regardless of anything, the boss advised Mr. X to ment his behaviour stating that the Western techniques of 'Personnel Management' which incorporates free mingling with the subordinates and developing a spirit of camaraderie between the boss and the subordinate, will not work in the Indian situation. However, Mr. X countered that the existing pattern of boss subordinate relationship in the Indian situation should be changed to benefit the organisation. The boss did not agree with his view and advised him to change his pattern of working Mr. X was also told to deal with the junior assistants and supervisors etc. only through the junior managers and never directly, as this practice diffuses authority and encourages indiscipline. Mr. X changed his pattern, by avoiding the regional language and also addressing everyone in the most respectful tone. He started calling the junior managers even for minute matters. Some of the staff who used to like Mr. X were upset due to his changed behaviour and were trying to keep away from him resulting in less productivity and turnover in the organisation.

Colleagues who were jealous of Mr. X started pointing out to the boss that Mr. X was becoming inefficient and attributed it to negligence. When Mr. X came to know of this, he offered to quit. The boss was prelexed. So were the staff.

Questions :

1. How can the situation be improved ? With whom do you agree, Mr. X or his boss ?
2. Was Mr. X justified in changing his attitude, acting upon the advice of the boss ?

CASE 13

DISTRIBUTION OF QUESTIONNAIRES

Jayant Ganu, who manages the personnel department of a large industrial plant of about 2,000 employees, recently distributed to all employees a detailed questionnaire that required employees to fill in information about their job title, number of years with the company, salary rates, and description of their job responsibilities, the form stated that the purpose of the questionnaire would be to provide management with an update material concerning personnel classifications. The form stated that all employees should return the form on or before coming Friday which gave the men 5 days in which to fill all of the information needed. Jayant announced to each department that he would tour the plant on Friday morning and pickup all the forms that had been turned into the personnel department.

Camaraderie – Mutual Trust and Sociability

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The updating of the personnel classifications was requested by the plant manager. The reason was to review all the job duties, with the possibility of re-classifying some of the positions. In some cases, to provide a more equitable pay rate that would mean a pay raise for some.

At the end of the week, before Jayant's tour of the plant less than 20% of the questionnaires had been returned to the personnel office. After touring the plant, Jayant had collected only an additional dozen forms. After requesting that the men get the forms in as soon as possible, Jayant went to see the plant manager and other management officials. They were waiting to see all the completed forms. Obviously, an accurate study of the wages and salary schedules could not be done because of lack of necessary date.

Questions :

1. How will the line personnel suffer as a result of not filling out questionnaires ?
2. Was Jayant's method the best way of distributing the forms is there better way ?
3. What information should be included on the memo, regarding the questionnaire ?
4. If you were the personnel manager. what would have been your approach in such a situation ?

CASE 14

KIRAN MILLS (TRAINING OF OPERATIVE STAFF AND SUPERVISORS)

Kiran Mills was a medium size composite mill with 700 looms and 30,000 spindles. It had spinning, processing and engineering departments, the heads of these departments, all technically qualified were within the age group of 35-40 years. Mr. Mishra, the General Manager, though responsible also for two sister concerns, spent most of his time in the Kiran Mills and left the day to day administration of the two other mills to their managers. Mr. Mishra, 45 years old, had taken the degree of M.Sc. (Tech.) and had experience of management in the same mills for the last 15 years. Policy matters were decide by the Managing Director, who attended the mill every day.

Mr. Mishra with the approval of the Managing Director, introduced a training programme in the month of September 1978. He qualified himself as a T.W.I. trainer and worked as a part time training officer in order to create interest in training activities to the departmental heads, assistants, supervisors and other office people and hoped that they in their turn would impart the training to their subordinates.

Mr. Mathur, the weaving master, took keen interest in the training which he had received from the General Manager and he made effective use of it. The General Manager was pleased that the Weaving Master had adopted the approach of an employee entered Supervisor rather than of a Work-Centred Supervisor. Mr. Mathur organized his work in such a way that he could devote about an hour every day for planning and conducting training programmes. He believed that training was continuous process.

Over a period of several months, Mr. Mathur had conducted training programmes such as T.W.I. and Techniques, of Conference Leadership for his supervisors and training in technical topics and T.W.I. for Jobbers. The General Manager observed that with the introduction of training programmes, day to day labour problems had been reduced considerably, and that efficiency of the loom-shed rose significantly. There was also some

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025

Gandhi Memorial College Of Education Bantalab Jammu

reduction in the percentage of damage. Mr. Mishra was pleased with Mr. Mathur's performance and gave him an extra rise in his salary. The Managing Director's attitude towards the training programme had been favourable from the beginning.

In March 1980, the Managing Director spoke to Mr. Mishra about his idea of appointing an Industrial Engineer who could establish proper standards and controls in different departments of the mill for the purpose of achieving higher productivity.

One Mr. Rao a qualified Industrial Engineer who had recently applied to the Managing Director for a job, was, in his opinion a suitable person for this assignment. Mr. Mishra accepted the idea and subsequently Mr. Rao was interviewed by the Managing Director and Mr. Mishra. Mr. Rao was appointed on a salary scale higher than that of the heads of the departments.

In the month of June 1980, Mr. Rao found that the efficiency of the loom-shed had gone down. Thereupon he, with the help of his two Assistant, started investigation in the loom-shed. On the completion of his investigation, Mr. Rao submitted the following report to the Managing Director.

"The damage percentage in the loom-shed is high, because too much time is devoted by the Weaving Master to training and as a result, the supervision work by the supervisors and jobbers is neglected. Supervision has, therefore, become weak. It is, therefore, suggested that the Weaving Master should be asked to reduce his emphasis on training and concentrate on supervision."

The Managing Director passed on the report to Mr. Mishra for appropriate action.

Questions :

1. To what extent would you agree to Mr. Rao's report ?
2. What should be the policy Kiran Mills on training of operative staff and supervisors ?

CASE 15

JAI-BHARAT MACHINE TOOLS LIMITED

Jai-Bharat Machine Tools Ltd. is established in 1971. To start with, 500 workers, 35 technicians and 15 technical officers were working in the company. At present, the total strength has gone to the tune of 3000 workers, 150 technicians and 30 officers. Though there exist two trade unions, viz. Majdoor Sabha and Socialist Worker's Union, the relations of the company with both the Unions are generally cordial and the Company has had a long spell of industrial peace.

In Jai-Bharat machine tools Ltd., Mr. Hari Devram Chaudhari has been working for the last 5 years. He is found to be very skilful, sincere and honest. He is intelligent and helpful too. Last year, he suggested an improvement in the working of a machine and earned a reward for it. Because of his helpful attitude he is liked by all the other workers and is a popular figure in the company. He is a member of the Majdoor Sabha. Though he is not an active member, he follows the directives of the Sabha.

Mr. Kisan Gundappa Devare has been working in Jai-Bharat Machine Tools Ltd. for the last 9 years. He is found to be of average skill and intelligence. He is regular in his duties and

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

honest too. Though he is not popular in the company, he maintains sound relations with his colleagues and apparently has no enemies. Of course, he is an active member of the Socialist Worker's Union and participated in all activities of the Union.

Mr. Mahadeo Jagan Pawar has been working in Jai-Bharat Machine Tools Ltd. for the last 7 years. He is found to be above average in skill and intelligence. Though he has polite manners, he is not quite dependable and is also irregular in his work. He is also a member of the Socialist Worker's Union and participates in all activities of the Union.

On the basis of superior job performance reports in favour of Mr. Hari Devram Chaudhari as given by all the Superiors and a note prepared by the Assistant Personnel Officer, a decision to promote Mr. Hari Devram Chaudhari, superseding Mr. Kishan Gundappa Devare and Mr. Mahadeo Jagan Pawar was taker by the management and the necessary communication was sent.

The Secretary of the Socialist Worker's Union has taken the issue to the General Manager and asked for the withdrawal of the promotion order issued to Mr. Hari Devram Chaudhari.

Questions :

1. In your capacity as the Personnel Manager, place your arguments before the Board and justify the promotion order issued to Mr. Hari Devram Chaudhari.
2. As the Secretary of the Socialist Worker's Union, submit your arguments and explain how the promotion order issued to Mr. Hari Devram Chaudhari is unjust ?

CASE 16

SAMUEL GODFRAY STEELS LIMITED

Samuel Godfray Steels Ltd. is a reputed manufacturing concern employing about 2,000 workers. The wage-payment procedure adopted by the company is given below :

Every worker is issued the wage payment slip in the first week of every month. On the payment day, the worker is required to produce his identity card and to sign or to place thumb impression on the acquittance roll in the presence of the Supervisor and an executive officer. In case of thumb impression, the supervisor is required to attest the same. The cashier is then, supposed to actually disburse the amount and the worker is expected to check cash and bring the discrepancy, if any, to the notice of the cashier immediately. The wages are paid on the 10th of every month and absentee payment is made on 18th and 25th of every month.

Shri. Janrao Dabke, Worker No. 1326, is employed in Tool Cutting Department have a strength of 150 workers. He was on earned leave from 1st march 1980 to 21st March, 1980. He reported back on duty on 22nd march 1980, after the expiry of the leave period. On 25th March 1980, Shri Janrao Dabke went to the Cash Office to collect his wages for the month of February 1980. He was told by the cashier that his wage packet for February 1980 has already been issued. The cashier showed Shri Janrao Dabke. The cashier asked for the Identity Card to verify the signature of Shri Janrao Dabke. Shri Janrao Dabke said that he had lost it but he added that the signature on the acquittance roll was not his own.

Shri Janrao Dabke approached the Supervisor with a grievance that was not getting the wages for February 1980, to which he is legitimately entitled. Subsequently, the Union leaders accompanied Shri Janrao Dabke to plead on his behalf.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Questions :

A. In your capacity as a Personnel Officer.
   1. How will you deal with this issue ?
   2. Comment on the existing procedure of wage payment.

B. As a Union leader, how would you plead the case of Shri Janrao Dabke ?

CASE 17

"LATIF TRADING COMPANY"

"Latif Trading Company" has its office on the first floor of an office building complex situated in a posh business area in Calcutta.

Latif Trading Company has a complement of 70 persons. All the seventy workmen have desk jobs and have a work schedule of 9.30 a.m. and 4.30 p.m. with a lunch interval between 12.30 p.m. and 1.00 p.m. Attendance in the staff is generally punctual and satisfactory.

The management has laid down a rule, which expects every employee to be at his desk 9.30 a.m. the opening time of the office. The rule also provides an adjustment of ten minutes for occasional late attendance due to traffic jams, non-availability of public transport etc. Another rule specifically mentions that late on three days in a month would automatically lead to debiting of one casual leave. This practice is in vogue for years together in the company.

The rule is being observed generally.

One day Shri. Dasgupta, an employee of the company, who had earlier reported late twice, attended at 9.45 a.m. i.e. 5 minutes even after the grace period. He was accordingly marked late by 15 minutes and since this was his third time in one month his leave account debited to the extent of one day's casual leave as per the present rule. This was the normal practice in that office and office superintendent used to take action suitably. As was the normal routine, the office superintended sent a note to cash section, which maintained leave records of the office staff, instructing to debit one day casual leave against Shri. Dasgupta's leave account.

Shri. Dasgupta is an average worker with no bad record. He is a member of the executive of the trade union functioning in the establishment.

The General Secretary, who is also an employee, came up with a demand saying that Shri. Dasgupta was late by five minutes only on the third occasion and, therefore, should be taken as late on three occasions and one day's casual leave debited to his account should be restored to him.

The Management did not agree. Management stated that even on the third occasion he was late by 15 minutes and not five minutes as claimed. The action taken by the management is strictly according to rules and also justified in the context of past practice as well as office discipline.[1]

General Secretary of the "Latif Trading Company Employee's Union" called a general body meeting on the same evening to protest against the action of the management in debiting one day's leave. He further stated in the meeting that Shri. Dasgupta is an executive member,

---

[1]Sources : Selected Cases from University Examination Papers

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab,Jammu

has a good service record and the management, therefore, would not have taken action against him. Delay of five minutes was hardly anything undefinitely not punishable enough to debit on full day. General Secretary wanted employees to unite and fight against the high handedness of management. The employees agreed to follow strictly instructions of the union executive and promised back them up till last.

On the following day none of the employees entered the establishment. Normally they would walk in and sign the master and mark the time. By and large every one would be at his desk before 9.40 a.m. Which included grace period of ten minutes granted by the management.

The employees, however, formed a queue right from the door till the main road sharp at 9.30 a.m. and started marking time and signing the muster kept near the office door one by one. The process took naturally a long time and by the time the last employee had signed the master it was already 10.15 a.m.

On enquiry, the Management was informed by the General Secretary of the Latif Trading Company Employees Union that everybody would attend sharp 9.30 a.m. But since the office door is too small they could not obviously enter at one time. Further each has to mark the time and sign the register and as such they have to come in one in the proper queue.

The employees marked the time correctly even if it was beyond 9.40 am. with a note that they were within the premises of the company even before 9.40 a.m. Which was the permissible time but could not be at their desk, as the small entrance and the muster signing rule won't permit them to rush. They had to, therefore, enter one by one, sign the muster, and fill in the actual correct time of signing the muster even if it was much beyond the permissible time, i.e. 9.40 a.m.

According to the employees, the time noted was the time they signed the muster and they claimed that they were present in fact all of them on dot 9.30 a.m. in the office premises of the Latif Trading Company.

The management overlooked their strange behaviour [which was described by the manager of a "Childish prank" and immature behaviour fit for ignorant crowd] on the first day with the hope that everything would be well on the days to come and they would follow their usual practice of reporting to work. Management was totally disappointed. The employees persisted and it was a strange force [popularly known "ZHAMELA" in Calcutta] all around the area and particularly in that building which was a big office complex and accommodated many known business houses. The situation obviously was very embarrassing to the Latif Trading Company.

It must be said to the credit of the employees that there was no demonstration, no slogan-shouting but for their queuing up and marching one by one in the office for signing the muster in the morning, the work went on well, in fact even better once they reached to their desks. The "Single File March" was so well organised by the union, that out of 70 employees at least 10-15 would sign the register after 9.40 a.m. everyday.

The Manager who had generally good relation with the General Secretary of the union tried to find out as to what the union actually wants and what would bring back normalcy in working of the company. Through a common friend the management was informed that the union desires that Shri Dasgupta should not be marked late, as done by management and that his one day casual leave debit should be restored to him.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Management of Latif Trading Company were also informed by the letter that Shri Dasgupta was unanimously elected Assistant Secretary of the Latif Trading Company Employees Union in the last meeting, in place of Shri Mitra who had resigned from the executive body of the union.

Questions :

1. (a) Would you recommend disciplinary action and, if so, what would be the change ?
   (b) Can the behaviour pattern of the employees constitute 'misconduct' as understood in industrial relations ?
2. Is there any special significance to Shri. Promothesh Dasgupta being an Executive Committee Member earlier and his, then becoming Assistant Secretary of the Latif Trading Company Employee's Union ?
3. Would you agree to the demand of the Union in view of the embarassing situation created for the company in that area of well-known business houses, by the behaviour of the employees ?

CASE 18

DAMODAR ELECTRICAL SUPPLY CORPORATION

The main business of Domador Electric Supply Corporation is to supply electric energy to the entire district. The Corporation has a work force of 600 employees, including Section Officers, Foremen, Tradesmen, Mazdoors etc. General Manager is the Chief Executive, having full authority on all matters of administration. During the last two years, the Corporation has come into financial problems due to economic recession. As such, to bring control on the expenses, the General Manager, has issued an unconditional order forbidding supervisory foremen to authorise over-time work under any circumstances.

One day, a cable-laying workmen was working inside a wet man-hole, in the marshy area near a river. About an hour before closing time he realised that he could not finish the job within the regular working hours. He therefore, asked the supervisory foreman whether he could stay over-time, to finish the work. He estimated, that the work would be over within four hours more. The foreman having no authority to grant over-time telephoned the Section Officer at the Head Office. Section Officer, unwilling to breach the rule, contacted the Superintendent. The Superintendent in turn asked the Section Officer, to use his discretion. Section Officer conveyed the same message to the foremen. The foreman, however, still afraid of the consequences of over-time order. He therefore told the cable lay-man to wrap the cable securely and leave the work, to be finished the next day.

During the night, the river went on flood. Water entered the man-hole by the river-side and the 'cabling' was damaged.

The damage to the cable was corrected after many days, involving a great expenditure.

Questions :

1. Was the Corporation's Over-time Policy wrong ?
2. Does the 'Management-by-rule' restrict the initiative of the staff and suppress innovativeness ?
3. Under such rules, can there be a sense of achievement and job satisfaction for the subordinates ?
4. Do you feel 'No Rules Situation' can be advisable for a company ?
5. Recommend on Over-time Policy to the Damodar Electric Supply Corporation.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 19

MR. HARDIK'S CASE

Mr. Hardik was working in an electronic company in Maharashtra. The Company had started with a small business covering one or two man places in Maharashtra. The Company acquired some new machinery and know how and expanded considerably in three years. Mr. Hardik who was working with this company for the last 15 years had done a very good job as a Zonal Sales Supervisor. He was dynamic, intelligent and was always on a move to have a regular contact with distributors, salesmen and retailers. He has improved sales in the area.

As the Company expanded, they had created a new job as a Market Research Officer under Marketing Manager. In this new job, Mr. Hardik has to spelt a lot of time in the office and collect data from different centres regarding market intelligence particularly about the products of competitors, dealers and consumer reactions. He also had to help in sales promotion methods by himself, write a report every week to Sales Manager.

Mr. Hardik was recommended for the job and was accepted by the Sales Manager who had known him. Mr. Hardik who has only passed B.Sc. (Electronics) and obtained a Diploma in Business Management by an unrecognised institution, when this job was offered to him he had his own doubts as he did not have formal recognised degree and could not write reports in concise manner.

Mr. Hardik was advised to take this job on promotion and reported to Sales Manager. Mr. Hardik missed his old job where he used to be in contact with salesmen, distributors and retailers. In this new job, he submitted his first report. His Head of the Department suggested some changes which means that Mr. Hardik did not do the job well. The Head of the Department gave him encouragement by saying that he will have to learn about report writing in this new job.

Mr. Hardik thought that he was not good at this job and was better off in his old job. However, he felt that if he will ask the Management to sent him back to the old job, it will be taken as a failure by the Management and he may not be considered for further promotions and also it will be a degradation for him.

Questions :

1. Analyse the dilemma to Mr. Hardik.
2. Comment on the promotion and Posting of the organisation.
3. As a Personnel Manager, which advice you will offer to Sales Manager, Marketing Manager and Mr. Hardik ?
4. Give a suitable title to the case.

CASE 20

MANAGEMENT DEVELOPMENT PROGRAMME

A Chemical Industry-a multinational company identified a potentially lucrative market in chemical dyes and took the decision to invest in a new processing plant. This decision was taken after a Market Research Survey conducted by the company.

The company developed a collaboration with a foreign company which invested generously to build a modern chemicals complex.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Because of the collaboration, the company has to recruit high calibre team of scientists and technicians to build and commission the plant. After an extensive advertisement on all over India, the company recruited a General Manager and Chief Engineer who both had extraordinary record and talents. Their first task was to recruit and train new technical, scientific and engineering personnel who would eventually form a core team of an expanding all successful company.

In the initial years of 5–6, the company proved to be highly efficient and profitable and decision was taken to expand the business which called for functional specialised organisation, a new management structure. Since the company had a policy promotion within the organisation they promoted the original core team of technical and scientists who had built up considerable technical knowledge and expertise for the company. They are the assets of the company and company did not want to lose them.

After the expansion, the plant was working beyond full capacity and straining both the equipment and people. The overall levels of efficiency and quality were falling and costs were increasing. The managerial style became more autocratic, even confrontationals as the Managers banked upon maintain existing performance levels.

A company now found itself loosing the market share as against the competitions who had attractive product range and invested in new technology. Many of the company's products were now becoming obsolete. This affected the pricing policy. They were priced high because of the high operating costs. The inventory levels were too high. The company was approaching a crisis. Simultaneously, it was having to reduce to costs, increase efficiency, invest in new technology, diversity into new market and establish the reputation.

The concern of the General Manager was that despite his best efforts to motivate the Managers, change was difficult to manage and therefore performance levels were not improving.

A Board Meeting was called in which the General Manager presented a three year business strategy and the Group Chairman asked Mr. General Manager "Are you confident that you have got right level of managerial and commercial skills to set it through ?" There then followed a intense discussion and agreement was reached that one of the major factor to Company's problem was lack of commercial and managerial skills among the existing management team. They were lacking entrepreneurial, innovative and motivational skills necessary to deliver the required level of customer's satisfaction and quality.

The Board took the strategic decision to embark upon a management development programme which should be highly professional to stand in today's competitive business environment.

The General Manager was left in no doubt by his fellow Board Members about changes they expected to see in the management teams.

The General Manager asked the Personnel Director Miss. Rajdhar, who was an engineer and taking responsibility in various aspects of Personnel Administration to prepare a managerial development programme. She discussed this with most of the Managers and employees in the Company. Most of them trusted her and valued her opinion on a range of issues. After an informal discussion, she found that it was the neglect of people issues and style of the Managers.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Personnel Director prepared a detailed plan and presented to General Manager. He expressed his concern to the Personnel Director that the Managers have to spend considerable time out of their work places in a local management institute. He asked her to modify the plan. After a week, she came with the modified plan and the General Manager accepted it without any reservation who in turn prescribed the plan to Senior Management team and this plan was approved.

The Personnel Director decided that a number of short term in-house programmes would give the Junior Managers the essential skills to manage. The urgent policy was to improve the relationship between some Managers and their teams. So a programme on team building was arranged to form a new co-operative spirit.

The Personnel Director wrote to all the middle level Managers explaining that she had been in contact with the Local Management Institute and she pointed out that Course would lead to them a recognised national qualification in management and the company would provide full financial support.

The Personnel Director turned her attention to the Human Resource Systems and Procedures in the company. The performance appraisals system was updated. A series of workshops were organised in which all the Managers including the Senior Managers received a practical training in appraisal skills. Other areas of improvements were included such as introduction of new discipline and grievance produce, a staff handbook, alternations to selection and induction procedures.

In the first few months the things went well. A phone call was received by the Local Management Institute expressing concern at the poor level of attendance and the attitude of some people who appeared to be "antitheory" especially when it come to subject areas that dealt with "management of people." Some also appeared to be resentful of the time they were having to spend in the classrooms, producing assignments etc. When the Managers returned to the work place they faced a considerable backing of technical problems compounded by the need to commission a new section of the plant to produce a new range of dyes for the emerging market. Production was already three months behind schedule. This was mainly because of poor design installation errors and poor operator training. On the top of this, Processing Managers were coming under intense pressure from the Sales Department. They had to "get it first or else".

The Personnel Director was worried more when she received excuses from the Managers for conducting the performance reviews and were avoiding it.

The consultants who conducted team-building workshops brought a disturbing information to Mrs. Rajdhar. Consultants were astonished to discover the existing gap between those who were managing the teams and their senior management colleagues who were accused of being more autocratic remote and uncaring. The consultant felt the Senior Management Team had alienated the Managers at the middle and junior management levels from all the most routine management processes. Communication and team work was non-existent. They requested her to place this issue before Senior Management Team and expressed their opinion that there is a need to do survey in regard to Company's culture and management style.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Six months have now elapsed since the implementation of the Management Development Programme. The Personnel Director discussed this with the General Manager. The General Manager commented that "I knew this would happen. We have got the wrong people to manage and until we change that we are wasting our time".

Questions :

1. As a Personnel Manager prepare a report on the possible causes of failure of the Management Development Programme and make suggestions for improvements.
2. Identify the internal and external factors which were having a negative influence on the Management Development Programme. In your opinion, what action was needed to reinforce positive influence ?
3. Prepare an integrative HRD approach for this organisation and develop a HRD plan for organisational development.
4. Was the company's decision correct in promoting the technicians and scientists to create a new management structure ? Give reasons.
5. Give a suitable title to the Case.

CASE 21

ABSENTEEISM IN SUCHITRA LEATHER GOODS PVT. LTD.

Suchitra leathers goods private ltd., employed 400 workers-350 workers and 50 workers. Half of the workers were ladies because of the nature of work in making the leather goods. The organisation was headed by a Managing Director and Works Manager, Production Controller, Finance Manager, Marketing Manager and Personnel Manager used to report to the Managing director.

The Company was making a gloss since its inception in 1973 because of the excellent quality products. Due to its quality reputations, the company bagged an export order for its products, during the year 1976-77. This meant a hectic job for the production control and Marketing departments of the company.

The Production Controller and Marketing Manager had a meeting and the schedule of production and delivery were drawn for 1976-77 for the export order. The schedules for the local orders were already drawn and there was no flexibility available for changing these schedules since the product designs for local market and the export market were different. The delivery pattern against export order was decided to be uniform over the twelve months of the year and the same was communicated to the customer. This delivery pattern suited the customer's requirements and it was confirmed.

The planning department while working out the production plan had assumed that :

- based on 26 days available in a month with 8 hours' shift, each worker, on an average will work for 208 hours in one shift.
- but because of the paid holidays (7 days), casual leave (7 days) earned leave (18 days) and sick leave (12 days), an allowance of 18 hours per worker per shift was provided. Thus, in effect 190 hours will be available per worker shift.
- it was also assumed that the number of times a worker will absent himself in a month of because of such leave will be more or less uniform for an the months.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Company kept up the promised delivery dates for the export order upto September 1976. However, by the middle of October 1976 it was realised that it would be very difficult to supply the desired quality of products by the end of October 1976.

The Production Controller found that there was an increase in behind schedule items day by day. He informed the works manager about the situation and he confirmed that the absenteeism among his staff was very heavy and it would almost impossible to meet the october target. The same was communicated to the Marketing Manager who after hearing this, almost broke down. He reported the whole matter to the Managing Director who found to the situation running out of hand. He tried to persuade the customers but they were reluctant for any change in the schedule. Also, Managing Director was sure that in case they did not meet the date, there were less chances for a repeat order.

He called a meeting of all the heads of the departments reporting to him. The Finance Manager expressed that the export order was not only a prestige order but it also meant huge financial game and the company must not lose it. It will be worth paying any amount of over time and get out of the present crisis. The Managing Director said that he wanted to find out a long range solution and he identified that the main problem was the erratic and heavy absenteeism among the staff. He wanted to know the reasons why this fact was not taken into account while preparing the plans. He also wanted to know as to why was there no control over absenteeism ?

The Production Controller told about the assumptions he had made in preparing the plan and he added that it was the system of fixing the paid holidays that was at fault and also there seemed to have no control over absenteeism because of other types of leave.

This was not at all acceptable to the Personnel Manager. The Personnel Manager explained that each employer was entitled for seven-paid holidays which, as per company's policies were fixed at the beginning of the year after detailed consultations with the worker's union. As far as other types of leave i.e. Casual leave, Earned leave, and Sick leave were concerned, the Works Manager and his officers should have a check.

The Works Manager had the ready answer, "If the employee is authorised for these leaves, he has all rights to take leave. I can not stop him."

The Managing Director blasted, "But we are not running a holiday camp, nor my company is here for charity."

The Works Manager said, "To fact, I had already warned the previous year that something should be done about leave-system. Though in past years we did not feel the pinch because of our absolute control over the local market, this problem was very much in existence than also. Normally, the production will always fail down in the months of October and November and then around March because most of the festivals also occur during these months and besides, these are the months of marriages. Most of our employees are ladies and at such occasions they are very much required at homes, even male employees go on leave in these months for the same reasons. What kind of check you wish me to have ? I suggest that the Marketing department and the Production Planning department must recognise these facts while committing delivery dates and planning for production instead of assuming a uniform absenteeism pattern. Our system of fixing paid holidays also needs to be booked into. It is seen that most of the paid holidays are fixed for the months of October and November, against, due to festivals like Diwali and Dasera. The employees like to continue their other types of leave with these paid holidays and occurrence of higher absenteeism.

CC-0.Mannagram Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-04

Gandhi Memorial College Of Education Bantalab Jammu

I suggest that we work out on complete plan for fixing the paid holidays as well as to check the other types of leave.

At this Personnel Manager said, "We would have to recognize that though we are not running a holiday camp, there are certain genuine reasons for which people take leave and they should not be denied. I think we can specify that reasons like marriage, festivals sickness etc. be considered positively for sanctioning leave."

The Managing Director, interrupted, and "then, why not for attending a football or a cricket match, why not for seeing movie or doing purchases ? I think any kind of leave if required should be anticipated by the employee well in advance and it is totally upto the officer concerned to OK or reject the leave application. The preference should be given to getting the desired production and not promoting the absenteeism."

The Works Manager was upset at this. He thought that with this decision of Managing Director the will losses heavily because this will kill the morale of this workers and production rate will suffer. He expressed this to Managing Director in no uncertain terms. He said that they could jointly work out a better leave system for the company.

CASE 22

THE STANDARD TEXTILE PRINTING WORKS

The Standard Textile Printing Works conducts business in high printing of superior textiles. It has a good reputation in the market. The company employs about 500 workers and work three shifts a day. There is no union in the plant. The chief executive of the works is the General Manager who is assisted by three Shift Managers, Supervisors and Asstt. Supervisors.

For the past few months, the General Manager had been receiving frequent complaints from the Shift Managers that pieces of customers cloth were missing from the plant and that they would not account for the losses. The General Manager took a serious view of the losses because, it meant not only payment of damages to the customers but also the company's reputation in the market. He, therefore, ordered a close search of workers at the time of their leaving the work place for home. As a result of these searches, a couple of workers were caught with small pieces of cloth hidden inside their dress. They were charge-sheeted for theft and subsequently dismissed after the domestic inquiry.

Some days back, during lunch interval, Vinayak, a worker in the folding department, saw in Assistant Supervisor taking a piece of cloth and putting it in his brief case. Vinayak immediately reported the matter to the Shift Manager, who came to the department and found the piece of, cloth in the brief case of the Assistant Supervisor. Without any discussion he asked the Assistant Supervisor to see him in his office. A week passed. The concerned Assistant Supervisor continued to attend to his work.

During this period, the Assistant Supervisor threatened Vinayak that the latter's "todays here are numbered". This upset Vinayak. He approached the Shift Manager and enquired of him as to what action was taken against the Assistant Supervisor. The Shift

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab, Jammu

Manager curtly replied: "I am thankful to you for whatever you did ; but it is none of your business to know what action we are taking against him. Remember that, after all, he is your Officer." Vinayak felt irritated, but left the Shift Manager's office without a word.

On the same day, when a watchman was about to search Vinayak while he was leaving the plant, Vinayak shouted at the watchman saying, "I will not allow myself to be searched unless the officers are also searched. They are the real thieves." The watchman detained Vinayak at the gate and reported the matter to the General Manager, who called Vinayak to his office. On being questioned by the General Manager, Vinayak told him all about the piece of cloth in the Assistant Supervisor's brief case and the subsequent events and repeated what he had said to the watchman. The General Manager, there upon, asked him angrily, "Do you mean to say that we are thieves ? Vinayak replied, "You can take it that way, if you like." The General Manager recorded the incidence along with Vinayak's reply to his question and took Vinayak's signature on it.

Next day, before entering the company's gate, Vinayak was served with a suspension order for his "Act of subordination and indecent behaviour." Thereafter, the General Manager referred the case to the Personnel Manager.

Questions :

1. As a Personnel Manager, how will you deal with this case ?
2. Give reasons for the advice that you will offer in the matter.

CASE 23

THE EMPLOYEE RESPONSE

Shri. Nitesh Dandekar is personnel manager of the Comfi Shoes Company. The company has 350 factory workers and manufactures complete lines of shoes and footwear at various price level. The business is highly competitive. Since the introduction of the suggestion system about three years ago, the workers' response to the plan has been meagre. Several promotional schemes were used to stimulate interest but without favourable result. Shri. Dandekar feels that the employees are refraining from submitting suggestions partly out of the fear that an adopted suggestion may result in a fellow employee losing his job. A repairman observed that why should he tell the company how to cut out an operation here and there. Some needy workers might be thrown out of job and he received a lousy ten per cent of the savings. The Company keeps 90 per cent. Further the savings are figured by the company. A person has no way of knowing whether it is the right amount.

Another worker, Shri. Nagarkar felt that the raise, if any, in the base production rate would be very little even though they do more work. He feels it is manager's job not the employee's, to make improvements. In his opinion, the workers are paid to do what they are told and they are doing just that.

Questions :

1. How do you account for the attitude apparently prevalent among the employees ?
2. What do you feel to be the attitude of the manager ?
3. What should the Personnel Manager do ? Why ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab, Jammu

CASE 24

THE UNRELATED BEHAVIOUR

Shri. Banwarilal was an employee in the Stores Department of the factory, for the last fifteen years.

The factory was running a canteen with the help of Canteen Committee. The Committee consisted of five members of whom three were elected by the workers and two were nominated by the management. The nominee of the factory management was, by convention the Chairman and the workers representative was the secretary.

The Committee authorised the secretary to run the canteen and he had control over the funds. He was authorised to by materials required by the canteen. The funds of the canteen were derived from the sale proceeds of meals, snacks, etc. Workers bought these at prices fixed by the Committee. In addition, the management also gave some subsidy, about 500 rupees per month.

Since three years, Shri. Banwarilal was being elected as the secretary of the canteen committee. In the first week of March, the chairman received complains in writing from the grocers and other suppliers about non-payment of their bills, for months. The chairman sent these bills to this secretary for necessary action. By the last week of April, the suppliers stopped deliveries of materials and the canteen could not meet the needs of the workers. Many workers demanded action against Shri. Banwarilal. On further inquiry, the chairman found that accounts of the canteen had not been audited for two years. He, therefore, appointed professional auditors to audit accounts of the canteen up to date.

The audit report bought out many irregularities. Thus, it was revealed that the expenses had exceeded income. The secretary could not account for a sum of Rs. 1,134 which should have been in the cash box.

Shri. Banwarilal admitted that there was negligence on his part. Due to illness in his family, he had to spend Rs. 1,134. He was prepared to make good the amount over a period of few month in instalments. He assured that he would encash his national savings certificates which had become due. But the unexpected audit put him in an embarrassing position. He pleaded for a lenient view by the canteen committee.

The Personnel Manager explain the Manager the position and of the decision of the canteen committee to take a lenient view of the misappropriation on the part of Shri. Banwarilal. The Manager asked the Personnel Officer to, take a disciplinary action against Shri. Banwarilal. "But he laps on the part of Shri. Banwarilal occured as the Secretary of the canteen", said the Personnel Manager. "His record of service with the factory was satisfactory", he said. "I don't understand what you mean" frowned the Manager.

Questions :

1. What is the problem ?
2. How do you assess manager's attitude and approach ?
3. What is your solution to the problem ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 25

THE STORY OF A STRIKE

ABC Engineering Company is a constitute of a multi-national group with its manufacturing facilities located in Nasik. The company has recently diluted its equity participation under FERA and how hay 40% foreign holding. The Indian holding is well distributed and no single group.

The company takes on turn-key projects and also several industries in the fields of food-process, power, mining and partly chemical industries. It has a work force of about 500 workers and 200 staff.

The company has been known for its progressive outlook and has been one of the leading pay-masters in the case of workers and staff. It has two separate for workers and staff both lead by an outsider who works as General Secretary of the two Unions. The company has entered into long-term settlements with the Unions and till the recent strike began there were no outstanding issues pending.

In August 1977, the Company discharged two workers on charges of loss of confidence. The Company's case was that two workmen were seen handing over material to an outside supplier and the material was nabbed at the Company gate by the Security staff. The Union demanded that the two workmen should be reinstated and a thorough enquiry should be held into the incident. To press their demand the workers went on strike for 2 days which was withdrawn unilaterally and a fresh notice of strike was given. Management there upon took the workers into the service, suspended them pending enquiry and conducted the enquiry. After a year and a half the enquiry in which the workmen fully participated, was completed and the charges levelled against the two workmen were proved. The company there upon dismiss the two workers. This decision was supported by supervisory and management staff immediately thereafter the workmen resorted to a go-slow. The Workers' Union also gave a strike notice demanding that since the charges have not been proved, the two workmen should be reinstated. The go-slow continued and after about $2\frac{1}{2}$ (two and half) months the workers resorted to a strike.

The strike continued for 82 days. At the end of the strike, there were signs of which would have permanently damaged union-management relations. The chief reason for the management for arriving at settlement at this stage with union was the completion of production targets for the year. As per terms of settlement both the workmen were taken back in the company but with a break in service without affecting their emoluments. The Workers Union assured to make up the losses of production due to strike, and Union management relations improved.

Questions :

1. Would the settlement be considered as weakness of Management ? Would it affect morale of supervisory personnel ? Who expected that the dismissed workers will never be taken in ?
2. Can the management make use of the commitment to workers to make up the lost production, by negotiating a production incentive scheme for future (In view of "Improved relations") ?
3. Was it incumbent on management to conduct enquiry in case of workmen who mere discharged because of lose confidence. Examine the legal position.
4. Will this have implications for managements' relations with staff union ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 26

EXCEL ENGINEERS

Excel Engineers is a multi-national organisation having its factory at Pune. The company manufactures and markets a wide range of equipment for food and food processing industry.

The present turn-over of the company is around 15 crores and it has high profitability. The company has two Unions one representing the workers doing manual and technical work and the second representing mainly the clerical employers.

The company has had a tradition of negotiating with the recognised Unions namely the Excel Kamgar Union and the Excel Staff Employee's Association, and had entered into long-term Settlements. While most of the workers are member of the workers Union, 15% of the staff members are not members of the Union, most of them being employee of the Personnel Department and Secretaries to Senior Managers. Most of them have never been Union members while a few of them have given up their Union membership because according to their grievances were not settled by the Union. Excel has been recognised as one of the leading pay-masters in the area and has been a leader in framing and implementing welfare policies with due participation from the employees.

In December 1975, the settlement signed with the Association expired and the Association served a 20 point charter of Demand covering wages, Dearness Allowance and other terms and conditions to the management.

Two months later the Association gave supplementary demand which read as under :

An amount of Rs. 75/- should be deducted from all the workmen who will be benefited from the settlement on account of this, charter of Demand and negotiations between the company and the Union and the amount so collected should be credited to the Union's account towards reimbursement of negotiations and other miscellaneous expenses.

Management as per its past tradition started negotiations within the staff union and negotiations, also protracted, were held in a cordial atmosphere. After most of the demands were settled giving an average benefit of Rs 165/- per month per employee, the supplementary demand proved to be a stumbling block.

The Union's objective in making the demand during the course of negotiations became apparent as they wanted to get subscriptions from non-union members under/or to extend benefits only to such employees who were members of the Union.

The issue was projected with a moral overtone. Said Mr. K. R. Kulkarni, President of the Association. "It is we who do all the running around. It takes away our energy and time of our private lives to negotiate the Settlement and the benefits of which go to everybody alike whether he is a member of the Union or not. How can be tolerate this ticketless travel ? "

Union also wanted to strengthen its organisational power and if a small group was left out of its fold, it would lead of weakening of its bargaining position at a later date.

The Management was, however, not ready to accept the Union's stand as it involved, besides industrial relation issues, legal problems. The management offered as a compromise that if an individual employee gave an undertaking to deduct Rs. 75 and pay it to the Union, the

CC-0 Agamnigam Digital Preservation Foundation Chandigarh Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Management would be willing to do so. Management took a stand of being fair and 88 their personnel manager put it. Whether an employee wants to join the Union or not is his own business ". As a company we cannot indulge in pressure tactics as it would be unfair.

As the days passed and entered the fifth month of negotiations the pressure within the Union increases and the millitents forced the Union to give a notice of strike. The Government Labour Department which was kept informed of the developments called the parties for informal negotiations. On hearing both the parties, the conciliation Officer refused to be a signatory to such a demand of the Union although he agreed that there was some merit in the Union's point of view.

On 1st September 1976, the strike commenced which was unexpected but was adequately covered by the strike notice. The strike was complete except for the employees not belonging to the Union who continued to carry on their duties. The Staff Union also approached the Workers' Union leaders who told them they will watch the situation for a month and then decide on further course of action. On first two days the picketing at the gate was heavy and Trainees were dabarred from entering the premises. The 'loyal workers' were jeered and ridiculed when they were coming inside the works. On the third day the Workers' Union shouted slogans in support of the Staff Union members who were on strike although the production work was not affected.

The company on the third day took of the initiative and held negotiations where they offered Rs. 75 to the Union on behalf of the 15% employees. The Union refused to accept such an offer and said that they have nothing against the company. They also criticised the undue 'Protection' and 'favouritism' shown to these employees.

On the fourth day, after a day long negotiation, company and union signed a settlement outside conciliation with a clause reading as under.

"Benefits of this settlement shall accrue to those who sign this settlement and Rs. 75 shall be deducted from the Leave Travel Assistance for the calendar year 1976 payable to the workmen covered by this settlement. This leave Travel Assistance shall become payable to those who have enjoyed leave even prior to the date of signing this settlement, and the amount so collected shall be paid to the Excell Staff Employees Association within two week's time from the date of signing this settlement".

Points for discussion :

1. Did the insistence of the Union to bring within its fod the 'Loyal Workmen' amount to an unfair labour practice ?
2. Was the Labour Commissioner (Conciliation Officer) justified in not allowing the matter to be admitted and signed in the conciliation process ? Examine legal position.
3. Will the Management be justifict in extending the benefits of the settlement to non-union members.

CASE 27

ABC ENGINEERING LIMITED

ABC Engineering Limited is a Company employing about 6000 employees and has record of healthy industrial situation over the last 15 years. The employees have their own internal union which has been recognised by the company. The union leadership is quite aware of employee's rights and obligations and been working for the welfare of the organisation as well as of the employees. However, due to internal squabbles the atmosphere is disturbed and also election are due in time.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

On 20th December 1994 it is reported that two of the employees one of whom is elected as a representative of union is material receiving section have taken Rs. 2000 from supplier for unloading the material in time. The eye-witness to this incident has submitted hiw written report to the Personnel Manager on the same day.

During the preliminary investigation it was pleaded that amount of Rs. 200/- was given by the supplier as a compliment tothe workman concerned as Christmas gift and they did not demand any time from him.

As per prevailing practises, management has been talking serious cognizance of such incidence of bribe including theft etc. The union has not supported any employee indulging in such act in the past. However due to certain Recent developments this incidence has become a prestige issue and union is pressurizing the mangement not to take any drastic action against the employees.

Questions :

1. Whether the union is justified in pressurizing the management in not taking any drastic action ?
2. Analyse the case and suggest course of action.
3. Give a suitable title to the case.

CASE 28

DILEMMA OF Mr. KISHORE KUMAR

Mr. Kishore Kumar was working with Biscuit and Chocolate Company in Maharashtra. The company had started with small business covering one or two main places in Maharashtra. The company acquired new machinery and knowhow and expanded considerably in last three years. Mr. Kumar was working in this company since last ten years and done an excellent work and improved sales.

As the company expanded they had created a new post of Market Research Officer under Marketing Manager. This new market research officer had by help in sales promotion methods by himself and has to submit a report weekly to Sales Manager.

Mr. Kumar was recommended for the job and was accepted by the Sales Manager. Mr. Kumar obtained a Diploma in Buiness Management from unrecognised institution.

Mr. Kumar was advised to take up his job on promotion and reported to Sales Manager. He missed his old routine job.

The new job had only mainly a desk job not travelling. After a week, when he submitted the report to Sales Manager, his departmental head suggested some changes and encouraged him by saying that he will have to learn such more about report writing in this new job.

Mr. Kumar thought that he had not done a good job and would be better off in his old job. If he tells his to management he thought that management may feel that he is a failure. Therefore he kept quite.

Questions :

1. Analyse the dilemma of Mr. Kishore Kumar.
2. Comment on promotion and posting policy of organisation.
3. As a Personnel Manager what advise you will offer to the Sales Manager and Mr. Kishore Kumar.
4. If you are Mr. Kumar, what steps you will take for future career ?
5. Give a suitable title to the case.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART III
THE CASE STUDY EXERCISES

SECTION IV
CASE STUDIES IN INDUSTRIAL RELATIONS

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

SECTION IV
CASE STUDIES IN INDUSTRIAL RELATIONS

CONTENTS

Case 1	Royal Electronics Company
Case 2	The Standard Textile Printing Works
Case 3	Laxmi Engineering Limited
Case 4	ABC Limited
Case 5	Beena Engineering Works
Case 6	Tasks of Re-organisation
Case 7	ABC Private Limited Company
Case 8	The Chemicals and Fibres Limited
Case 9	A Case of Theft
Case 10	Communication in Conflict
Case 11	Parkhe Company
Case 12	An Engineering Company
Case 13	Vishnu Textile Mills Limited
Case 14	General Electronics Company
Case 15	Oberoi Gears Limited
Case 16	The Sweepers Case
Case 17	Plant Manager's Case
Case 18	Latif Trading Company
Case 19	The Famous Engineering Company
Case 20	Food Processing Company
Case 21	Grievance of Anil Deshpande
Case 22	Compensation for Accident

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 1

ROYAL ELECTRONICS COMPANY

A well known financial house started an industrial unit using new technology under the name Royal Electronics Company. Their system of Management in general was of the old type where everything was centralised on a personal level. However, in case of new company, due to various factors like distance, time etc., the industry was allowed to develop on autonomous lines and was put in charge of U.K. trained Engineer.

Considering the various aspects, the industry was developing well. But due to the lack of adequate attention to labour and industrial relations, a strike developed. It generated tensions and fears among the executives, both on the production side and in other departments. Several engineers and executives left jobs including Labour Officer who felt insecure due to vacillation and interference from top Management.

Finally, the strike was resolved. But some workers were still under charge sheets. Their cases had been conducted by the New Labour Officer who joined at the height of strike. One day the Factory Manager received a call from the Managing Director to dismiss the Labour Officer immediately. He solicited reasons at least to justify his action, but to no avail. In fact, the Managing Director came personally, went to the Labour Officer directly and gave him the dismissal letter. The Labour Officer was appointed by the Factory Manager and so he went to him but the Manager could do nothing then.

Questions :

1. Analyse the factors that led to a break down of industrial relations in the Royal Electronics Company.
2. How should the cases of charge-sheeted employees be dealt with ?
3. What course of action will you suggest for the Factory Manager?
4. As a Labour Officer, what would be your steps after receiving the dismissal letter from the Managing Director ?
5. Give a suitable title to the case.

CASE 2

THE STANDARD TEXTILE PRINTING WORKS

The Standard Textile Printing Works conduct business in high quality printing of superior textiles. It has good reputation in the market. The Company employs about 500 workers and works in three shifts a day. There is no union in the plant. The chief executive of the works is the General Manager who is assisted by three Shift Managers, Supervisors and Assistant Supervisors.

For the past few months, the General Manager had been receiving frequent complaints from Shift Managers that pieces of customer's cloth were missing from the plant and they could not account for the losses. The General Manager took a serious view of the losses because it meant not only payment of damages to the customer but also the company's reputation in the market. He, therefore, ordered a close search of workers at the time of their leaving the work place for home. As a result of these searches, a couple of workers were caught with small pieces of cloth hidden inside their dresses. They were charge-sheeted for theft and subsequently, dismissed after the domestic enquiry.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh. Digitized by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Some days back, during lunch interval, Vinayak, a worker in the folding department saw an Assistant Supervisor taking a piece of cloth and putting it in his brief case. Vinayak immediately reported the matter to the Shift Manager, who come to the department and found the piece of cloth in the briefcase of the Assistant Supervisor. Without any discussion, he asked the Assistant Supervisor to see him in his office. A week passed, but the concerned Assistant Supervisor continued to attend to his work.

During this period, the Assistant Supervisor threatened Vinayak that the latter's days here are numbered. This upset Vinayak. He approached the Shift Manager and enquired of him as to what action was taken against the Assistant Supervisor. The Shift Manager curtly replied, "I am thankful to you by whatever you did; it is none of your business to know what action we are taking against him. Remember that, after all, he is your officer !" Vinayak felt irritated, but left the Shift Manager's office without a word.

On the same day, when the Watchman was about to search Vinayak while he was leaving the plant, Vinayak shouted at the Watchman saying "I will not allow myself to be searched unless the officers are also searched. They are the real thieves !" The Watchman detained Vinayak at the gate and reported the matter to the General Manager, who called Vinayak to his office. On being questioned by the General Manager, Vinayak told him all about the piece of cloth in the Assistant Supervisor's briefcase and subsequent events and repeated what he had said to the Watchman. The General Manager there upon asked him angrily, "Do you mean to say that we are thieves ?" Vinayak replied, "You can take it that way, if you like." The General Manager recorded the incidence alongwith Vinayak's reply to his question and took Vinayak's signature on it.

Next day before Vinayak was served with a suspension order for his. "Act of insubordination and indecent behaviour." Thereafter, the General Manager referred the case to the Personnel Manager.

Questions :

1. As a Personnel Manager how you will deal with this case ?
2. Give reasons for the advice that you will offer in the matter.
3. Give a suitable title to the case.

CASE 3

LAXMI ENGINEERING LIMITED

Laxmi Engineering Ltd. is a large-scale Engineering Company situated in Thane. The nature of industry was that a major strength of workers was coolies. The Mukadam of labour was coming everyday on duty. But he was not allowing the workers to come to work who desire to come to work. Other workers were on strike.

The General Manager of Laxmi Engineering Ltd. was having a severe problem of labour because the workers had a very strong union. Many of the workers were local people. After serious thought and consultation with his colleagues and subordinates the General Manager devised a method by which he could attempt calling off the strike.

The General Manager called Mukadam and told him that it was an opportunity for Mukadam to call his relatives to the work as the Management had decided to take fresh labour. This treated a desired effect on the workers who are on strike and they also started coming on work.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The newly employed workers who were related to Mukadam were not doing any work because of their relationship to Mukadam. This was an opportunity for the General Manager to prove the inefficiency of the Mukadam. The Mukadam was terminated from the service. In this way strike was completely defeated as all workers reported to their duty. This particular game-plan served double purpose for the General Manager.

Questions :

1. Is the General Manager
   (a) Result minded ?
   (b) Ethics minded ?
2. Do you think the tactics of the General Manager are beneficial for the Company in the long term ?
3. Suggest different ways other than adopted by the General Manager to call off the strike.

CASE 4

ABC LIMITED

ABC Ltd. is a reputed company, manufacturing electronic components for industrial use. It is thirty years old. It has a fairly good record of growth. It has performed well during the financial year 1990-91 as well. The company now in 1992 has plans to diversify and is looking to the open market for raising necessary funds.

The Company as a matter of strategy gave extensive publicity of its financial results to attract investors.

The union of employees as old as the Company and is very strong. The union is awaiting to receive bonus and then to negotiate a new long term settlement.

This time, the union has, inspite of the Company's request, submitted a partial Charter of Demand alongwith notice for terminating only relevant clauses of the long term agreement. The Company time and again explained the necessity of a comprehensive charter of demand which will lead to a comprehensive and full settlement. However, the union chose to raise a partial charter of demand, conceding which would have meant a very heavy financial burden and more critical changes in the Company's policies. The union had already started whipping up emotions of its members on both bonus and settlement.

Traditionally, bonus has been paid as per the statue. As a matter of routine, the union always challenged the quantum of bonus payable. For the last six years, the union has been filling suits against the Company. None of such cases has been heard or decided as of now.

Now came the time for payment by bonus of the year. The company gave all the details of the calculations of bonus as per law and all doubts raised by the union were answered to their satisfaction. The bonus payable was thus arrived at 12%. The union however refused to accept bonus at 12%. The pointed out the much publicised financial results of the Company and the 20% dividend declared. The union is disputing the accounts and calculations as shown to them. They are using the financial results published to attract investors.

Both the demands of the union viz. : bonus and long term settlement were in bilateral negotiation. As things could not go further, the employees went on strike. It is eight days now since strike began.

Analyse and contemplate as to how the company came out of this situation without further damage. Please advise the Company on Action Plan.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 5

BEENA ENGINEERING WORKS

Beena Engineering Works, a heavy engineering unit, was established in 1992. To haul steel and other materials from and finished products to, the nearby by railway station, and for the transportation of materials from one department to another within the works, the company had eight steam locomotives. They had been purchased about 30 years earlier and posed many repair and maintenance problems.

The company, therefore, decided to have phased programme of replacing them by six diesel locomotives. These had several advantages over steam locomotives. For instance, apart from quicker and better haulage of rolling stock, while diesel locomotives spent over 15 minutes for fuelling a day the team locomotives spent over an hour every four hours, to take coal and water. Diesel locomotives could also be easily switched on and off and were economical to operate. Besides providing cleaner working conditions for the locomotive, by this replacement, the company would be relieved from providing steam coal and treated at different points in the works.

When the first diesel locomotives was received in the works, the management initiated a programme for training diesel drivers. First preference for such training naturally given to the drivers of steam locomotives. Arrangements were made to relieve them from duty for training had to be extended to a period of two months. Log sheets which were translated into the regional language for those who did not know English. The care with which they should operate the diesel engines and the difficulty of procuring spare parts from abroad were duly impressed upon the trainers.

Each steam locomotive had been manned by a driver, a fireman. As there was a greater degree of automation in diesel locomotives and as there was not need to maintain the fire or clean ash-pans, they were not provided with fireman. What was more, in some of the smaller diesel locomotives there was no place for a second man. A spare driver was provided for every three locomotives to relieve each regular driver for the additional responsibility as well as for the change in job content, they were placed in a higher pay scale. Management also agreed to absorb the surplus firemen in other vacancies without any loss in their earnings.

The recognised trade union had been kept informed of all these changes and had raised no objections that time. However, when the new diesel locomotives were commissioned with one driver each to man them, the secretary of the union, on a representation made by the loco crew, sent a slrong protesl note to the General Manager and wanted the matter discussed in detail, before any change was introduced. He pointed out in his letter that the drivers would not be able to man the diesel locomotives for six hours without attendants to help them. He argued that this change affected the promotion of the firemen rendered surplus and also the group relationship established during many years of work-life. Two men on each locomotive would have a better view on both sides of the track, and this was necessary for safety. Moreover, as each steam locomotive had been manned by a driver and a fireman for the past 30 years, it was difficult to convince the drivers and firemen that diesel locomotives could be manned singly.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Management was aware that the loco crew could, if they wanted, bring all operations in the works to a standstill. They, therefore, agreed to discuss the issue with the union before implementing the scheme.

Questions :

1. As a manager how you will justify the management view point ?
2. As union leader, how you will justify union's stand ?

CASE 6

TASK OF RE-ORGANISATION

The administration department of the Northern Division of the bank has for many years operated with a secretarial staff of seven: a senior working exclusively for the departmental manager, and the others in groups of two attached to each of the sections.

It was recently decided at senior level re-organise the secretarial support by setting up a typing pool, in which all the secretaries work together instead of, as at present, in different locations. It had been calculated that pooling in this way, together with the introduction of three word-processors, would allow the department to operate on a reduced level of five secretarial staff. The reduction in number would come about by natural wastage, since two of the secretaries reach retirement age within twelve months.

The task of re-organisation was given to Sanjay Patel, seconded in for 3 months from a local branch. This move was not welcomed by the departmental manager. Patel was known to be somewhat secretive and arrogant; the manager was not consulted about Patel, was in any case an "outsider"; and the manager did not like the idea of losing his personal secretary, Sheela, whom he told about the plans. She is turnfeared the boss of her seniority, and lost no time in telling her colleagues emphasising the introduction of these : "internal machines" which were intended to take away their jobs. In no time, the rumour spread of redundancies which would result from new technology which the secretaries would be forced to adopt. When Sheela confronted Sanjay, he made matter worse. He was not yet ready to make any announcements and he abruptly dismissed her enquiry, telling her that if there was any information to give to the secretaries, he would do that when he felt the time was right.

Some three weeks later Sanjay announced the plans. Almost immediately, a letter was received from the Commercial and Secretarial Employees Union stating their vehement opposition to the plans with availed threat of coercive action by their members.

Questions :

1. What do you think of the manner in which the changes were being introduced ?
2. What action should be taken by Sanjay Patel on receipt of the letter from the union ?

CASE 7

ABC PRIVATE LIMITED COMPANY

ABC Pvt. Ltd. is a electronics company with a workforce of 120 workers having an engineering division and an assembly division. The engineering division has a tolal workforce of 80 workers who are all male workers. The assembly division has a workforce of 40 women workers only. Almost all the workers are the members of the MIDC Workers Union.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

On 31st Dec. 1992, the last settlement on wages and working conditions signed between the Management and the MIDC Workers Union had expired and the union had terminated that settlement and submitted a fresh charter of demands.

The present wages of the employees was as follows :

1. **Engineering Division** : Minimum - Rs. 1800/- per month
   Maximum - Rs. 2500/- per month
2. **Assembly Division** : Minimum - Rs. 1200/- per month
   Maximum - Rs. 1800/- per month

The union was demanding a rise of Rs. 1000/- per month in the wages of all the 120 employees, and they were also demanding parity in the wages of the assembly division and the engineering division.

The Personnel Manager called the union office-bearers for negotiations and at the first meeting explained the basic premises on which negotiations will take place :

(a) Management is prepared to concede some wage rise to all the employees.

(b) Parity in the wages between Engineering division and the Assembly division cannot be agreed to for the following reasons:

   (i) Work in both the divisions is not the same. Engineering division workers are paid more because of 'heavier work'.

   (ii) Women workers of the assembly division are drawing one of the highest wages amongst women workers in the MIDC area.

The Union office bearers argued that as both men and women workers are their members, they cannot practice discrimination.

Questions :

1. As a Personnel Manager how would you prepare for the next round of negotiations ?
2. What do you suggest as the solution to the above problem ?

CASE 8

THE CHEMICALS AND FIBRES LIMITED

The Kalve unit of the Chemicals and Fibres Ltd. has a powerful union called the Association of Chemical Workers. The company has rejected the union's demand for 30 per cent bonus for 1989-90. On the ground that workers were not entitled to bonus of more than 20 percent under the Payment of Bonus Act. This has provoked the workers and their union to initiate an agitation; and discontentment was prevailing within the factory. Ultimately, the workers in the third shift had resorted to a stayin strike on October 25, 1991, which continued on the next day also. The company has alleged that the work stoppage had resulted in the stoppage of production.

Consequent on the agitation, a lock-out notice was put up by the company. It was stated that the company was a public utility concern and that the workers had struck work without notice as required under section 22 of the Industrial Disputes Act. The workers were guilty of contempt of court as they had disobeyed the injuction granted by, a District Civil Court restraining them from staging a stay-in-strike. According to the Company, the strike was illegal and the company's action of having declared the lock-out was perfectly as per law.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The union was of the opinion that the company was not all a public utility concern, and that there was no strike on the part of the workers. Hence, the workers did not commit any contempt of court. As a proof of non-strike, the union has pointed out that there was no substantial decline in production according to the production statics maintained by the company, and if any reduction was there, it was due to the changing over to another product, as notified by the company. The case was reported to tribunal, which was convinced by the evidence that there was no strike in the company. The lockout was declared illegad and unjustified. The tribunal has therefore awarded full wages to the workmen for the lock-out period of 45 days from 25th October, 1991.

Questions :

1. Analyse the Case ?
2. Do you feel that the management's approach was wrong in certain respects? If so, point them out alongwith the rationale for your observation.
3. Could you suggest a more imaginative way for the management to tackle the union ?

CASE 9

A CASE OF THEFT

Bread produced by Bharat Bakery, situated in New Delhi was a popular item and a favourite of hostels and homes alike. The establishment had over six hundred workers and had started manufacturing Cakes, Biscuits and Pastries also for sale through their won retail shops. Even then it was mainly known for its quality bread. It had ready sale.

The Manager Shivlal, however, always complained about the theft of bread as the loaves produced were always found to be much less than what he thought should be produced out of the dough mixed on the basis of common standards.

Supervisory staff was cautioned. They were asked to be more careful and report as and when they found eating or stealing bread. The Security Officer was also asked to be strict in searching the workers when they leave for home.

Bharat Bakery 'Standing Orders' provided for termination of services as a punishment for theft of property. The workers were repeatedly warned on the loud speaker system about the provision in the standing orders of the establishment and also about the shortage of bread produced as compared to the expected output based on the raw material provided as per common working standard and weight.

Supervisors reported that they suspected eating of slices by groups of workers and also of taking the bread out of the factory through the drivers who transport the finished product to local hotels and retail shops. Some unclaimed packets of bread were also found.

Ram Kishan, of the personnel department who was recently promoted as a Assistant Personnel Officer, suggested to the General Manager a new scheme. In the weekly meeting of officers, he put forward his proposal. The proposal was to permit every worker two slices of bread, free of charge, if he so desires, to be issued in the canteen by Canteen Manager to supplement his food brought from home. Ram Kishan felt that this would bring down the loss and particularly the wastage of half-eaten bread and hidden packets often found in four to five departments where the bread was actually produced, cooked, sliced, packed and stored.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by MoE-IKS

Gandhi Memorial College Of Education Bantalab Jammu

The proposal was laughed at and criticised at first, but Shivlal, the General Manager was willing to experiment it as in any case bread was being eaten or wasted by the workmen.

The General Manager issued the following order:

"Any worker can collect, free of charge two slices of bread from the Canteen Manager during lunch hour for his consumption." The order was received well and a substantial number of workmen started collecting two slices from the Canteen Manager. Shivlal and Ram Kishan were watching the incidents and developments carefully, while other officers looked at this step as wasteful and rather immaturish.

Within 15 days, the Canteen Manager reported that number of workers collecting two slices had come down to half. The Production Foreman Devilal reported that total output per shift has increased though not what it should be as per the expected quantity based on raw material supplied. Strict watch, better supervision, search at the gate of vehicles and workers apparently proved useful. Ram Kishan thought that his proposal of free supply of two slices was one important step that reduced the wastage and theft. Shivlal partly agreed with his Assistant Personnel Manager.

Canteen Manager who was asked to keep the General Manager informed reported further decrease in the number of slices collected by workers during lunch hours as per General Manager's orders. He also reported that some took regularly but others as and when they wanted to supplement their lunch. Devilal, the foreman was also happy as he could provide sufficient quantity on demand.

One day, however, the Security Officer, while searching the worker Ghanshyam Das found two slices of bread in his lunch box. Ghanashyam Das admitted that those were the slices collected by him during lunch hour as per General Manager's kind orders..

Security Officer detained the worker, took witnesses, signatures and reported the case to the General Manager as of theft by Ghanashyam Das working in the packaging section of Bharat Bakery.

Questions :

1. Prepare a charge-sheet be issued to Ghanashyam Das.
2. Is it a case of theft ?
3. Will it be a case of theft if four instead of two slices were found in the lunch box of Ghanashyam Das?
4. What would be the change in your approach if the General Manager's orders were to be rewarded as under : "Any worker can collect, free of charge. two slices of bread from the Canteen Manager during lunch hour for his own consumption during factory hours."
5. Please give a critical analysis of the case with special reference to Ram Kishan's proposal of free supply of two slices of bread. What steps would you take to discontinue if you disagree with this step which is obviously a loss to Management ?

CASE 10

COMMUNICATION IN CONFLICT

The problem of employment communication has come sharply to the attention of all members of top management at the Turnball Manufacturing Company. Their employees are out on strike. They have gone out at the one time in the year when the company can't afford to delay the deliveries. Cancellation of orders is expected. If the orders are cancelled now, all hope of a profitable year is lost.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Communications are obviously involved in two ways. In the first place, when the dispute arose, upward communication appeared to be reassuring. The foremen and supervisors reported that rank and file regarded their union's demand as extreme and would not support the union in a strike. The strike was called and all non-supervisory employees went out. At the end of a week, many of foremen reported that the employees to whom they talked were organizing a back-to-work movement. Two weeks later, it had not developed.

Meanwhile, in a series of negotiations, the employer has granted most of the union's demands. But the union negotiators are insistent on all of them. The employer feels that any further concessions are impossible. Officers of the company believe that employees would accept the terms now offered if they knew of the concessions and realised the hazardous position of the company. But they do not know how to inform the employees and convince them of the sincerity of the management. Advertisements in the local newspapers have been convince them of the sincerity of the management. Advertisements in the local newspapers have been proposed by the public relations department. The sales department suggests a house to house campaign. The legal department has proposed asking the mayor of the city to form a citizen's committee.

Questions :

1. Why do you think that the problem has arisen ? What is your reaction to the different proposals ? How would you approach the immediate problem ? What would you suggest for the longer term future ?

CASE 11

PARKHE COMPANY

Mr. Jayant Parkhe started the Parkhe Company in 1952 when he hired three mechanics to join him in the production of welding equipment. He was granted three patents that were important to the immediate success of the firm. After several difficult years, the business gradually expanded. Mr. Parkhe still holds about 70 per cent of the shares of the company. It now employees about 1,000 employees who are engaged in coil winding, assembly, packaging, shipping and research. The business has been profitable and Mr. Parkhe is often described as a millionaire who started with nothing but an idea.

Mr. Parkhe has built no temples as memorials to himself. Rather, the company's four divisions are now scattered in four buildings and have been purchased at salvage prices.

Mr. Parkhe is known as a generous employer. He has consistently paid wage rates at cut above those prevailing in that area and has provided employee services an benefits that are more generous than the usual pattern. He initiated employee profit sharing programme in 1974.

No union has demanded recognition as the bargaining agent of Parkhe Company employees until the present time. In the last week of September 1991, the local secretary of B.M.S. wrote the company's Personnel Manager asking for the negotiating session. He said that the union represents a majority of workers in the assembly department of one plant. He has proposed what he describes as the 'standard agreement'. It includes, among other provisions, a cost of living clause, participation in the pension plan sponsored by the union and checkoff.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

Mr. Parkhe has reacted bitterly to this development. He assumes that the negotiator represents a majority of employees in the department and is legally within his rights. But Mr. Parkhe feels that employee action in joining the union indicates an attitude that combines ingratitude and disloyalty. He says that he has no interest in being associated with such a crew. He has called his managerial associates together and announced that he proposes to sell the firm as soon as possible.

Problem :

Mr. Nikhil Parkhe, generally regarded as the successor of Mr. Jayant, has asked you to come in as a consultant. He wants to discover why employees have organised in the face of what was generally regarded as ideal working relationships and what this development means to the company's Managers. He has arranged for a preliminary meeting of top Managers in which you are asked to discuss possible explanations and implications of these developments. Prepare your notes, analysing the situation and indicating the possible course of action, which will help in your presentation at the meeting.

CASE 12

AN ENGINEERING COMPANY

An engineering company employing about 1000 employees in Pune has a history of labour disputes and bitter strikes. A recent strike in 1989 has shown that the conflicts can get out of hand. When the union members went out on strike, the company rehired anyone who wanted to work after several incidents of alleged violence, the help of police was sought. This led to suits and counter suits on the part of both the management and the union. The union members alleged that the police used lathi charge and tear gas against workers who were exercising their constitutional rights. They also claimed that the police unlawfully searched, beat and arrested the union leaders, at the instigation of the management. A company spokesman said that the union's allegation was purely false. The police were called because of increasing violence on the part of the workers. The company also offered a prize of Rs. 10,000 for information about the culprit in a car accident which had led to serious injuries caused to a young worker. The union leaders said the union does not condone violence of any type, but as the situation goes on, people become more desperate and this type of incidents happen. Violence on the part of workers is a reaction to the violence initiated by the management.

After four months of this type of controversy, the union members voted to end the strike and according to the management each union member lost on an average about Rs. 12,000 in wages.

Comment on the situation and suggest a course of action for the management and the union which will lead to harmonious industrial relations.

CASE 13

VISHNU TEXTILE MILLS LIMITED

Vishnu-Textile Mills Ltd. had 3,000 employees;	
Management Personnel	75
Clerks, Stenos, Typists, etc.	100
Supervisors and Technical Staff Monthly paid	175
Service Staff	100
Hourly-rated staff (workers)	2,550
Total	**3,000**

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Company's policy was to recognise one union which was representative of its employees. For determining the representative character of a Union, the Company's policy was to accept the findings of the Labour Commissioner of the Registrar of Trade Unions about membership.

The Vishnu Textile Mill Worker's Union, affiliated to the All-India Trade Union Congress, was recognised by the Company in accordance with policy. The Union placed before the management a charter of demands covering wages, dearness allowance, job-grading, retirement provisions and bonus. These were negotiated and a settlement was arrived at. The settlement was to be binding for five years.

Within a year after the long-term settlement was arrived at, another union affiliated to the Indian National Trade Union Congress, was formed. It was called the Vishnu Mazdoor Sangh. This union claimed recognition as it was registered union of workers of the company. The company pointed out that the question of recognition of the new union could not be considered since it has not been functioning for a year as required under the rules.

After about a year, the new union again requested the company to grant recognition. The company referred the matter to the commissioner of labour for ascertaining the respective membership of the rival unions. The report of the Labour Commissioner was that the Vishnu Textile Mill Worker's Union had 30 per cent of the staff on its rolls and the Vishnu Mazdoor Sangh had 40 per cent of the staff.

In view of the Labour Commissioner's report, the company recognised the Vishnu Mazdoor Sangh about a year before the expiration of the long term settlement.

Towards the end of the long-term settlement, the Vishnu Mazdoor Sangh (the newly recognised union) submitted a charter of demands. At the same time, the Vishnu Textile Mill Worker's Union (Now non-recognised) presented a charter of demands on behalf of the workmen in the factory and made it clear that they would not tolerate what they called "any unilateral settlement" with the recognised union. The company, therefore, had two sets of demands on behalf of its employees, one submitted by the registered and recognised union and the other by the non-recognised but registered union.

Questions :

1. Comment on the procedure adopted by the Management of the Mill for extending recognition to the majority union.
2. What stand should the Management take on the two charters of demands submitted to it by the rival unions.
3. Outline the industrial relations policy that you will advice the Management to adopt in the context of the given situation.

CASE 14

OBEROI GEARS LIMITED

Oberoi Gears Ltd., is a modern gear manufacturing company in Bombay. The internal union is controlled by a very militant trade union leader Mr. X, who was contesting the general election in 1980 from the constituency where this Company is situated and at the time the incident briefed herein occurred. The village adjacent to this Company where many of the Company's workers hail from also falls in this consistency.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

Mr. Patwardhan, the General Secretary of the union, works in the Gear Cutting Section. Mr. Tidke, another office bearer of the union, work in the Lapping Section.

In the cutting section instructions are that the operators are to be standing near and attending the machines while they are in operation. As such no seating arrangements are provided for operators. But in practice, the operators usually load the rods and start the machines and sit till the machines complete the cutting. They used scrap wooden packing cases for sitting and chatting together at a place while the machines are running. The Production Manager and Supervisor would generally request them not to repeat this type of gathering, as and when they noticed it.

On the date of this incident, the Production Manager saw Mr. Tidke of the lapping section, Mr. Patwardhan and all the operators of the cutting section sitting together and chating while the machines were on. He asked everyone to move to their respective places of work. Subsequently he got all the scrap wooven cases removed from the section. Irked by this, Mr. Patwardhan abused the Production Manager using obscene and filthy language. He also threatened him of dire consequences, outside the Company.

The Production Manager reported this matter and the personnel department acted very promptly by suspending Mr. Patwardhan, pending inquiry. Two days later Mr. Tidke along-with three outsiders took up procession at the entrance of the Company. When Personnel Manager and Production Manager came, they abused and threatened both of them repeatedly. Eventually, Mr. Tidke was also suspended pending inquiry.

Mr. X was busy electioneering in the village there. The villagers demanded Mr. Patwadhan and Mr. Tidke be protected. Mr. X promised that he would see to it that Mr. Patwardhan and Mr. Tidke are re-instated without any punishment whatsoever

Mr. X demanded that the Company scrap the inquiry and re-instate both Mr. Patwardhan and Mr. Tidke with immediate effect. The Management refused to budge. The workers resorted to Tooldown strike. The strike entered the 12th day. Production had come down to zero. Mr. X indicated through feelers that he would be willing to negotiate.

Questions :

1. If you were the Personnel Manager, how would you have handled the situation ?
2. Supposing you had settled for negotiation, how would you have gone about it ? Specify your strategies and how you would have clinched the issue in the best interests of the Company ?

CASE 15

THE SWEEPER'S CASE

XYZ Ltd. is a food processing industry. The company employees 22 workers. Earlier the Company had in its employment a sweeper, who maintained the cleanliness of the entire Company including that of the toilets. This sweeper resigned for personnel reasons and in a hurry. The Personnel Officer employed a new sweeper.

The new sweeper worked diligently. But the day he was asked to clean the toilets, he refused to do so. He said he was prepared for do any except cleaning of the toilets. In the meanwhile, the workers had joined the XYZ Employees Union.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Personnel Officer called the Union leaders for discussion on the problem to resolve the impasse. The union leader contended that the workman was employed as a "sweeper" and not a "wet sweeper". While joining work, he was not told that he would have to clean toilets. He was a diligent worker, but he was not prepared to do demeaning work like cleaning toilets. The Management was asked to employ another "wet sweeper" only for cleaning the toilets. The union was threatening to call a strike if there was no settlements of the dispute.

The Management contended that hygiene is very important in the food processing industry. The earlier sweeper had done all the work including cleaning toilets. Employing an additional "wet sweeper" was beyond the financial capacity of the company and anyway there was not enough work to be given to him throughout the day.

Questions :

1. What do you think of the manner in which the new sweeper was recruited ?
2. What do you say about attitude of the union, the new sweeper and the Personnel Officer in this case ?
3. What is the way out to solve impasse?

CASE 16

PLANT MANAGER'S CASE

You are working as Plant Manager in a plant in developing area employing about 150 people with its head office at Bombay. The workmen have joined a local militant leader after a series of incidents of labour unrest in the plant. The situation is limping to normalcy. You have a team of young and professional officers as your support.

To get back to normalcy in a short time you are putting in all your best skills including developing rapport with the union. In your absence, one day the trade leader rings up on your direct line and after sometime one of your officers receives the telephone. The caller asks the name of the receiver but refuses to disclose the identity. He wants to talk to one of the union committee members who is on duty. As the caller persistently refuses to disclose his identity. the officer regrets his helplessness to call the Union Committee member on phone and puts the phone off.

Within an hour's time of their incident, the union leader comes to plant along with the committee member looks for the officer who had received the telephone. On locating the name and office of your officer, the two of them enter the officer's cabin, the leader catches the collar of the officer, manhandles him and finally walks out of this cabin after slapping the officer. Immediately after this the leader leaves the plant and the news spreads around the plant. All this happens while you are away from the plant for a business meeting.

What are the strategies to deal with this fresh crisis ?

CASE 17

LATIF TRADING COMPANY

"Latif Trading Company" has its office on the first floor of an office building complex situated in a posh business area in Calcutta.

Latif Trading Company has a complement of 70 persons. All the seventy workmen have desk jobs and have a work schedule of 9.30 a.m. and 4.30 p.m. with a lunch interval between 12.30 p.m. and 1.00 p.m. Attendance in the staff is generally punctual and satisfactory.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The management has laid down a rule, which expects every employee to be at his desk 9.30 a.m., the opening time of the office. The rule also provides an adjustment of ten minutes for occasional late attendance due to traffic jams, non-availability of public transport etc. Another rule specifically, mentions that late on three days in a month would automatically lead to debiting of one casual leave. This practice is in vogue for years together in the company.

The rule is being observed generally.

One day Shri. Dasgupta, an employee of the company, who had earlier reported late twice, attended at 9.45 a.m. i.e. 5 minutes even after the grace period. He was accordingly marked late by 15 minutes and since this was his third time in one month his leave account debited to the extent of one day's casual leave as per the present rule. This was the normal practice in that office and office superintendent used to take action suitably. As was the normal routine, the office superintendent sent a note to cash section, which maintained leave records of the office staff, instructing to debit one day casual leave against Shri. Dasgupta's leave account.

Shri. Dasgupta is an average worker with no bad record. He is a member of the executive of the trade union functioning in the establishment.

The General Secretary, who is also an employee, came up with a demand saying that Shri. Dasgupta was late by five minutes only on the third occasion and, therefore, should be taken as late on three occasions and one day's casual leave debited to his account should be restored to him.

The Management did not agree. Management stated that even on the third occasion he was late by 15 minutes and not five minutes as claimed. The action taken by the management is strictly according to rules and also justified in the context of past practice as well as office discipline.

General Secretary of the "Latif Trading Company Employee's Union" called a general body meeting on the same evening to protest against the action of the management in debiting one day's leave. He further stated in the meeting that Shri. Dasgupta is an executive member, has a good service record and the management, therefore, would not have taken action against him. Delay of five minutes was hardly anything and definitely not punishable enough to debit one full day. General Secretary wanted, all employees to unite and fight against the high handedness of management. The employees agreed to follow strictly instructions of the union executive and promised back them up till last.

On the following day none of the employees entered the establishment. Normally they would walk in and sign the master and mark the time. By and large every one would be at his desk before 9.40 a.m. which included grace period of ten minutes granted by the management.

The employees, however, formed a queue right from the door till the main road sharp at 9.30 a.m. and started marking time and signing the muster kept near the office door one by one. The process took naturally a long time and by the time the last employee had signed the master it was already 10.15 a.m.

On enquiry, the Management was informed by the General Secretary of the 'Latif Trading Company Employees Union' that everybody would attend sharp 9.30 a.m. But since the office door is too small they could not obviously enter at one time. Further each has to mark the time and sign the register and as such they have to come in one in the proper queue.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The employees marked the time correctly, even if it was beyond 9.40 am. with a note that they were within the premises of the company even before 9.40 a.m. which was the permissible time but could not be at their desk, as the small entrance and the muster signing rule won't permit them to rush. They had to, therefore enter one by one, sign the muster, and fill in the actual correct time of signing the muster even if it was much beyond the permissible time, i.e. 9.40 a.m.

According to the employees the time noted was the time they signed the muster and they claimed that they were present in fact all of them on dot 9.30 a.m. in the office premises of the Latif Trading Company.

The management overlooked their strange behaviour [which was described by the manager of a "Childish prank" and immature behaviour fit for ignorant crowd] on the first day with the hope that everything would be well on the days to come and they would follow their usual practice of reporting to work. Management was totally disappointed. The employees persisted and it was a strange force [popularly known "ZHAMELA" in Calcutta] all around the area and particularly in that building which was a big office complex and accommodated many known business houses. The situation obviously was very embarrassing to the Latif Trading Company.

It must be said to the credit of the employees that there was no demonstration, no slogan-shouting but for their queuing up and marching one by one in the office for signing the muster in the morning, the work went on well, in fact even better once they reached to their desks. The "Single File March" was so well organised by the union, that out of 70 employees at least 10-15 would sign the register after 9.40 a.m. everyday.

The Manager, who had generally good relation with the General Secretary of the union, tried to find out as to what the union actually wants and what would bring back normalcy in working of the company. Through a common friend the management was informed that the union desires that Shri Dasgupta should not be marked late, as done by management and that his one day casual leave debit should be restored to him.

Management of Latif Trading Company were also informed by the letter that Shri. Dasgupta was unanimously elected Assistant Secretary of the Latif Trading Company Employees Union in the last meeting, in place of Shri Mitra who had resigned from the executive body of the union.

Questions :

1. Analyse the case.
2. Is the union's demand justified in case of Shri Dasgupta? Justify your answer.
3. If you are a Personnel Manager, how you will deal this case ?
4. Give a suitable title to the case.

CASE 18

AN ENGINEERING COMPANY

ABC Ltd. is an Engineering Industry started in 1970, employing 200 workers and staff members. The turnover of the company is 25 crores per annum. The sales and gross profit of the company over the last five years are as under:

Year	Sales	Profit Before Tax
1985 – 86	16 crores	4.0 crores
1986 – 87	20 crores	3.0 crores
1987 – 88	22 crores	2.5 crores
1988 – 89	24 crores	2.2 crores
1989 – 90	25 crores	1.0 crores

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Industrial Relations in the company have been good, right from the beginning and they have not had a single day's work-stoppage on account of labour problems. The company has appointed a Personnel Manger in 1988. Till this time, the labour and personnel problems were handled by the Managing Director who retired from post in 1989. The minimum wages in the company are Rs. 2,000/- and highest paid worker gets Rs. 3,200/- per month. The last agreement for a period of thee years was signed in 1987. The minimum wages in the large Engineering factories in this region had risen from Rs. 2,600/- to Rs. 2.800/- The union has demanded an overall rise of Rs. 1,100/- in their charter of demands.

The New Managing Director had called the Personnel Manager and the Works Manger and told them to have a preliminary meeting with the union negotiating committee. He had given two messages to be conveyed very clearly to the worker in a tactful manner.

1. The profitability of the company gone down over the years. Although the sales were increasing, it was not possible to increase the cost of product inspite of the fact that cost of raw materials had risen appreciably due to cut-throat competition all round. Only answer was increase in productivity of labour and no rise will be given unless it is linked to production without increasing manpower.
2. There were quality problems and the rate of rejection was not coming down. If the quality did not improve, the profitability was likely to go down further.

There was a general body meeting of workers union, where, the workers had demanded that they must get wages equal to other large companies in this region. The Managers and Directors were paid as per the other companies, the workers also should be paid the same if not more. The present rate of production was back breaking. The union should not accept any increase in the rate of production which was charged six years back. If the rise in wages was not possible without change in production rate, they were ready to go on strike. There was heavy inflation in the country and it was not possible to maintain a family within the wages received by them. A rise of Rs. 1,100/- was most justified.

Questions :

1. Do you agree with the unions demand of rise in wages amounting to Rs. 1,100/-. Justify your answer.
2. What steps will you take to solve the quality problems of the company and to increase the profits ?
3. What preparations will you make for negotiating the settlement?

CASE 19

THE FAMOUS ENGINEERING COMPANY

The Famous Engineering Company was engaged in manufacturing and marketing light engineering products. It was small industrial concern established in 1956 by the House of Dayal which had interests in another fields of industry in the country. During the first two years of its existence, the Company had to face various difficulties due to lack of technical, personnel, plant and raw materials. However, in subsequent years the company not only surmounted these difficulties but also earned sizeable profits.

The company employed nearly 500 workers. The workers had formed "Famous Engineering Workers Union" in 1956. which claimed more than 70% membership but the management had not granted recognition to it.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Kamat, the President of the Union, was 30 years old and enjoyed wide popularity among the workers. He was a skilled worker in the factory. His service record showed that he was an efficient worker although the management did not approve of his activities as a union leader.

Gupta, the General Manager of the company, was 50 years old. He had been associated with the company since its inception. He had previously worked as a seretary to one of the other industrial concerns under the same management.

The labour-management relations in the company were not very cordial. Gupta believed that in the present situation, the management has got to take a stiff attitude in dealing with labour, otherwise they would make all sorts of unreasonable demands.

Early in 1960, the company launched on a scheme of expansion. The house of Deena Dayal, the son of the Managing Director, to study the work of the company and to assist Gupta in carrying out its expansion programme.

Deena Dayal was 28 years old. He was science graduate and had previously worked with his father for a period of three years.

Soon after joining the Famous Engineering Company Deena Dayal had a discussion with Gupta on the Company's major difficulties and its future development programme.

In June, 1960, as result of the Company's expansion a vacancy for the post of Work Supervisor arose, Deena Dayal thought of promoting Kamat to the post, for he felt that it would mean not only a recognition of his services but would also result in better labour-management relations in the factory. So one day in the first week of June he called Kamat to his office and said."....Kamat, I am glad to inform you that I have today strongly recommended your name for promotion to the post of Works Supervisor. This promotion would mean an increase of about a hundred rupees in your salary. I hope you will prove yourself worthy of it."

Kamat expressed his gratitude to Deena Dayal and assured him that he would endeavour to do his best for his company. However, he also pointed out that his promotion would not in any way deter him from continuing his activities in the union and that he would continue to be one of its office bearers.

In July 1960, the top management accepted the recommendations of Deena Dayal and promoted Kamat as Works Supervisor. In three months that followed, the management found Kamat an efficient supervisor. In the meantime, however, there was a change in the attitudes of the workers towards Kamat. Some workers began to look on him with suspicions as a union leader, other complained that he had become a stooge of management. A few workers criticised his new 'Boss' mentally as a supervisor.

Meanwhile on 1st October 1960, Mr. Gupta went on sick leave for a month. In the absence of Gupta, Deena Dayal took over the charge of the personnel function of the company.

On the 16th October 1960, an incident took place outside the factory gate which caused much concern to the management, Limaye, a skilled worker of the Factory, an Office nearer of the Union and a close friend of Kamat was returning home at about 6 p.m. On the way Limaye met another worker, Pande, who. had been with the company for the past two years and was much respected by the workers. Pande reapproached Limaye saying that he and Kamat had done a great disservice to the workers by becoming stooges of the management. Limaye denied it. The hot exchange of words between them soon took an ugly turn and each one began to abuse the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

other. Ultimately, Limaye lost his patience and hit Pande. The neighbours then collected on the scene and had to take Pande to hospital since he was seriously injured, Limaye was immediately arrested by the police.

The next morning all the workers collected at the factory gate and shouted slogans demanding that Limaye and Kamat should be immediately dismissed from service and that Deena Dayal should go back failing which they would go on strike.

The Management suspended Limaye pending enquiry but they did not take any action against Kamat. When the workers came to know about management's decision; they went on indefinite strike. In the next few days since the workers threatened to manhandle Kamat and the management requested him to move to a distant town.

On 7th day of strike the top management sent an experienced labour officer to investigate the situation and to take necessary steps to get the factory working. The new labour officer put up a notice at the factory gate inviting temporary labourers to work in the factory. Although the management offered higher rates and daily wages no one was willing to take up work in the factory.

Questions :

1. Analyse the case explaining the causes that led to the present situation of strike.
2. Do you think that the new labour officer has failed in his analysis of the situation ? In what ways ?
3. How would you handle this case if you were the new labour officer ?

CASE 20

FOOD PROCESSING COMPANY

A multinational company specialised in food processing has been operating in India for about 3 decades. The company has recently decided to expand its production. It was decided to shift the factory to a new location about 20 km away from its present site. For want of experienced hands some of the workers were transferred to the new site. As the workers transferred to the new site were living in town, the union demanded an increase of Rs. 60 in their salary. But the company offered to give Rs. 25 only to cover the transport cost.

When the plant was being shifted to the new site negotiation went on uninterrupted between the management and the union on the issue. However, both the parties could not come to a settlement even after 6 months.

The management was firm on their decisions even though the union indicated some flexibility. The union refused to compromise fully on the issue. They adopted go slow tactics to pressurise the management. The production went down drastically but still the management was firm on their stand. In the mean time the management charge-sheeted some of the trade union leaders and suspended them and the enquiry was pending.

Questions :

1. Analyse the case given above and elucidate the problem and causes.
2. Do you justify the management decision. If yes/no why ?
3. Are the workers right in their approach ? Comment ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 21

GRIEVANCE OF ANIL DESHPANDE

Mr. Anil Deshpande is working as a turner for the 20 years in an engineering concern employing around 2,000 employees. The wages are distributed on 10th of each month in this concern.

Mr. Anil was on earned leave from 4th October to 11th October 1994. He reported on duty in second shift at 3.00 p.m. on 13th December 1994. Mr. Anil went to the cash counter to collect his wages. The cashier noted Anil's ticket number and searched for his wage packet and he found that the said packet was already issued. The cashier told that he had already his wage.

Mr. Anil being surprised told the cashier that he had yet to collect his wages and that was why he had to come. On this the cashier asked for the identity card from Anil to check up the validity of the signature. Anil said that he has lost his identity card but added that the signature on the payment slip was not his. Anil approached the personnel manager with a grievance that he was not getting his wages to which he was legitimately entitled. Raju and Shridhar, Union Representatives accompanied Mr. Anil to Personnel Manager.

Questions :

1. As a Personnel Manager, how will you deal with grievance ?
2. Give a suitable title to the case.

CASE 22

COMPENSATION FOR ACCIDENT

A Public Limited Company has got a number of drivers and many trucks. One of the truck driver having 25 years faithful service and no blemish record in the past, drove his vehicle on the wrong side of a National Highway, struck car and killed three persons. He was also severely injured and was not expected to survive.

In view of the serious condition of the driver, the company did not take any disciplinary action against him at that time. The company also paid him all the sick benefits and hospital costs as per settlement for six months. The expiration of six months period is coming to an end and the driver will not be able to return to his work within reasonable future. Discuss the following questions with reasoning.

Questions :

1. What action should be taken against the driver by the management ? Whether he should be charge-sheeted and enquiry held or should be simply discharged as per service rules ?
2. Whether the management was justified in not taking any action against driver immediately after the accident ?
3. Whether the driver is entitled to claim compensation for accident and injuries met to him in addition to retiring benefits?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART III
THE CASE STUDY EXERCISES

SECTION V
CASE STUDIES IN MARKETING MANAGEMENT

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

SECTION V
CASE STUDIES IN MARKETING MANAGEMENT

CONTENTS

Case 1	Bhosale and Company
Case 2	The Scooter Industry
Case 3	Modern Bakeries Limited
Case 4	Ceramic Goods and Rajesh Kulkarni
Case 5	Marketing Strategy
Case 6	The Crazy Bottling Company
Case 7	Managing Directors of A and B
Case 8	Launching a New Product
Case 9	Watts and Volts Limited (Power Generation Equipment)
Case 10	"Dye-Gen" Company
Case 11	Madhav Capacitors
Case 12	Digital Equipment Limited
Case 13	The Fine Tune Television Company
Case 14	'Fit - Kit' (Marketing Strategy)
Case 15	A Scheme for Market Segmentation
Case 16	Alfa Computers and Info Tech Corporation
Case 17	Rajendra Kulkarni (Advertising & Promotional Campaign)
Case 18	Designing the Channel of Distribution
Case 19	Agro Industrial Co-operative Society
Case 20	M/s. Challenger Sports of Shrinagar (Market Segmentation)
Case 21	Colour Chem. Company
Case 22	Marketing Strategies of the Co-operative Store
Case 23	'Chap-pals' (Marketing Strategy)
Case 24	The Management of the Health Club

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Case 25 India Car Company
Case 26 Sugandha Mouth Freshners Limited
Case 27 Amala Financial Services
Case 28 'Vriddhi' 2000
Case 29 Lightening Courier Services (Market Plan)
Case 30 Super Luggage Limited
Case 31 An Urban Consumer Co-operative Store (Marketing Strategies)
Case 32 The cold Ice-cream Company
Case 33 Same Product Different Packaging
Case 34 The Packing Case
Case 35 Beauty Cosmetic Limited.

CASE 1

BHOSALE AND COMPANY

Bhosale and Company is one of the small firms in Kolhapur in the furniture industry. The plant's value is Rs. 15 lakhs. It employes 100 people in management and production.

Shri Bhosale Raosaheb started this firm in 1913. The firm sells high priced custom made furniture. The market is relatively small. Its profitability is very high. In 1943, after the death of the proprietor, his son foresaw the postwar "boom" in the furniture industry and expanded again. He purchased another furniture factory in 1949 and doubled the production capacity.

Sales have traditionally been carried on by a very limited number of "high class" furniture outlets and company salesman. The company has complete control over both the marketing and production processes. The company has very small inventory and has printed some catalogues. The salesmen sell the furniture with catalogues to furniture stores and to individual interior decorators. The company has small showroom in Kolhapur. It also participate in exhibitions all over the Maharashtra. The salesman are paid very high salary. The selling expenses are very high. But the Proprietor feels that high selling expenses are necessary to maintain the image of the firm's fine line of furniture.

Recently, Mr. Bhosale, the Proprietor is considering the possibility of changing marketing structures. Furniture stores and showrooms in different parts of Maharashtra have been forthcoming regularly but Mr. Bhosale has rejected their offers as he feels he would lose control on marketing. However, two large showrooms in Bombay have recently contracted him in reference to handling his products. Both showrooms have offered to sell the products of the company in Bombay and sub-urban areas and have agreed to show substantial sales in all the furniture items manufactured by Bhosale and Company. Mr. Bhosale has spoken with his factory manager and sales manager and has asked them to come to his office to discuss all possibilities.

Questions

1. What channels of distribution should Bhosale use ? Why ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab, Jammu

CASE 2

THE SCOOTER INDUSTRY

The scooter industry has been in one of the worst slumps in the last two decades. The low sales have persisted when the people in the country have buying capacity to purchase scooters. The persistently high interest rate and the recession have damped the scooter buying customers.

The scooter manufacturers have offered rebates, warranties and have carried on extensive advertisement to attract customers into the showrooms. The discounting programmes, and low sales volumes have put the scooter manufacturers in the worst financial conditions with huge loses. The companies have reduced their workforce drastically. The companies propose to pass on the benefits of reduced wages to customers in the form of prices. They expect that the lower price would increase sales and this would enable the companies to help our more people back to work.

What pricing strategy should be adopted without killing a sales recovery ? Marketing executives in the scooter industry are taking a hard look at what customer wants and expects.

One alternative would be to gradually phase out promotional programmes including rebates and discounts and maintenance warranties. Another scooter company is considering the proposal to adopt combination of reduced promotion and smaller price increase for scooters with higher Horse Power. Price increases would be considered on scooters with higher Horse Power and luxury scooters where the customers are not very sensitive to pricing.

Another strategy is to keep the base price of the scooters the same but consider increases in prices of such hidden items like freight charges and wholesale costs to the dealer.

Questions

1. What would be the policy of the scooter manufacturers regarding price increases versus volume of employment (more employment) if the sales increase is more than the current sales forecast ?
2. Comment on the alternatives to pricing strategy in order to assure expected sales volume.

CASE 3

MODERN BAKERIES LIMITED

Mr. Lal, General manager of the Modern Bakeries Ltd., in Kolhapur was concerned with the problem of designing a distribution system for the company's product. He had in his mind four alternatives distribution plans and he was working on the economics, efficiency and effectiveness of each one of them. He wants to arrive at a decision after careful examination of all the pros and cons.

The major objectives of the company were to make bread eating more popular both in the urban and rural areas to raise nutritional standard of the people and in doing so to run unit or commercial basis. The investment of the company was to the tune of 10 lakhs of rupees. The company not only manufactures plain bread but undertakes the production of many allied products such as sandwich bread, milk bread, toast, sweet buns etc. The company has installed most up-to-date machinery and appointed trained workers for manufacturing quality products. However, it is facing a keen competition from many other units in the same line.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College of Education Bantalab, Jammu

While deciding about the distribution system, Mr. Lal laid down the basic objectives. Being a convenience product, fresh bread must reach the final consumer with least possible effort on his part. The time lag between production and consumer purchase should be achieved at an economical cost to ensure a competitive position for the company.

The alternative distribution plans under consideration of Mr. Lal were as under :

1. Sole distributor selling to retailers.
2. Direct distribution to the consumer.
3. Direct distribution to retailer and,
4. Engaging wholesalers to distribute to retailers.

Evaluate the distribution alternative available to the company in the light of their costs and effectiveness. Which plan would you finally adopt and why ?

CASE 4

CERAMIC GOODS AND RAJESH KULKARNI

Mr. Rajesh Kulkarni, a graduate in a soil technology from Bombay University, after graduating himself returned to his hometown, Satara, and had his future plan to start factory of ceramic goods like decorative flower pots, wall plates and allied products made of clay. He applied for the plot of land in the M.I.D.C. area and was allotted the same by the government.

Initially, the factory was to be started on a small as a family concern. His father was ready to contribute to the tune of Rs. 5 lakhs out of the total requirement of initial capital of Rs. 10 lakhs. He applied to Maharashtra State Finance Corporation to underemployed graduates. The remaining balance was to be arranged from friends and relatives.

Mr. Kulkarni prepared a feasibility report to be submitted to the M.S.F.C. showing the detail of the plan of production and marketing of ceramic products. The manager of M.S.F.C. was fully convinced about the capabilities of Mr. Kulkarni in respect of production but expressed some doubts about the systems in which the products could be marketed.

The main classes of the buyers for ceramic goods, according to Mr. Kulkarni, were the big five star hotels, Government emporia and other institutions as well as the individual customers. Similarly he feels that these products depicting the paintings shown in the Indian art and culture were in great demand in foreign markets, especially in Europe and America. As Mr. Kulkarni feels that ceramic industry has relatively less competition in the internal as well as international markets and in view of the growing demand for these products, he will definitely succeed in his venture.

The Manager of M.I.D.C. feels that Mr. Kulkarni has not seriously deliberated on marketing problems likely to arise in the course of marketing these goods having special features such as breakability, demand for specific types of customers only, high price, etc. Accordingly, he asked Mr. Kulkarni to consult some marketing experts in this connection.

As an expert in marketing, what would be your reply to the following queries :

1. What channels of distribution should be selected for marketing of ceramic goods ?
2. How can the sale of these goods promoted in the home country ?
3. In what manner the international markets can be tapped ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 5

MARKETING STRATEGY

Representative of a large departmental stores in Bombay approached a leading manufacturer of major appliance with a proposal that the manufacturer supply a modified model of a popular refrigerator to his company to be sold under the brand of his company. The Manufacturer's branded model of the particular style of refrigerator commonly sold for about Rs. 4500/- under conditions where retail outlets realized a gross profit margin of about 25% or retail sales. The Departmental Stores company was interested in obtaining a similar but differential model to sell for a slightly lower retail price and felt that it would want to maintain an average gross margin of 30% of sales in order to standpoint was a modified styling of the refrigerator door and that the tooling costs for such a modification in manufacturing would involve a minimum additional investment of Rs. 12,000,00/-.

Refrigerators are in general in the growth stage of the product life-cycle.

Questions

1. Should the manufacturer accept the offer of the company owing and managing the Departmental Stores ? Support your answer with convincing arguments.
2. What are the likely effects on the marketing strategy of the manufacturer if the offer is accepted ?

CASE 6

THE CRAZY BOTTLING COMPANY

The Crazy Bottling Company (CBC) is a bottling plant located in Madras. The firm produces various flavours of Crazy Soda such as Cola, Orange, Grapes and Mangoes. All the bottles contained 300 ml which other bottlers originally used. A buyer for the company calls upon retailers and purchases other producers' bottles which Crazy transports to its plant, cleans and labels them, and fills them with Crazy soda. The only part of the package which labels the product 'Crazy' is the bottle cap.

The firm is owned by two partners, Sreedhar and Jayram. Their objective is to earn satisfactory salaries for themselves and to earn profits that can be systematically reinvested in the business as a means of adding to its production and marketing capacity. They have been successful in achieving this objective. Sales have risen steadily for the past ten years. Profits, too, have been increasing. One exception was in 1990 when the prices of sugar advanced rapidly and profits were less than they were in the early years.

The firm sells its beverages to hotels, restaurants, and cold drink houses. These are primary independent outlets. Further it sells to institutions such as colleges, canteen social clubs and directly to ultimate consumers at the bottling plant. The firm's prices are substantially lower than those of the major national brands. Its advertisements are limited to several bill boards, a sign in front of the company plant and occasional small newspaper advertisement. Three trucks which owns make the deliveries to customers.

Recently, a friend of Sreedhar and Jayaram attended a party. He tried mixing mango and cola beverages and found the results to be quite tasty. After recovering from the effects of the party he called Shreedhar and proposed that mix the two flavours and market the mixture as a new addition to the product mix. Both the partners were fashioned with this idea but they were in dilemma.

1. Analyse the case.
2. What further steps should the two partners undertake in evaluating the new flavour ?
3. What marketing strategy should be adopted by them ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 7

MANAGING DIRECTORS OF A AND B

Two Managing Directors (A and B), each the head of a company, five following statements by each of these individuals were made.

Managing Director A :

1. "Let us show several experimental designs to some prospective buyers and get their view before we go ahead".
2. "Better do some research to find out which colours most consumers prefer".
3. "Let's check to determine how many different models the consumers want and then see if we can produce that number profitably"
4. "What price will induce the right number of consumers to buy and yield the most profit".
5. "Let's reappraise out outlets to optimise number of consumers".

Managing Director B :

1. "Our engineers know how to design products".
2. "We'll give the consumer any colour he wants, so long as its black".
3. "We'll produce two models. We don't want to complicate production".
4. "We'll just add 20 percent to our costs to compute the price".
5. "We'll market this product through the same retail stores we've used for the past 10 years.

Questions :

(a) What major decisions does each of the five statements reflect ?
(b) Comment upon the above statement comparatively.
(c) What are the probable marketing implications of each M. D.'s view ?

CASE 8

LAUNCHING OF A NEW PRODUCT

Mr. Roy, the Managing Director of India Pharamaceuticals, in consultation with Mr. James, Product Development chemist, decided to market certain tablets containing iron and other ingredients in a new dosage from, namely chewable tablets. After initial experiments, Mr. James found that vitamin C, which was originally present in the formulation would require an air-conditioned and humidity and controlled manufacturing department. He reported the above finding to Mr. Roy. Mr. Roy estimated the cost of the above change in his manufacturing department and found that his organisation was unable to bear the cost of the change suggested by Mr. James. He informed Mr. James about the organisation's inability to carry out the change. He suggested that Mr. James should formulate such chewable tablets of iron and other ingredients which could be manufactured with the existing facilities.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

Keeping this in view, Mr. James went on with his research work to develop a new chewable tablet containing iron. After four months he came out with a product. He had omitted Vitamin C, in the product and made some other necessary modification. Mr. Roy gave the product to five leading physicians, who were attached to various hospitals in order to find out the acceptability of the product, as formulation, taste, and flavour were concerned.

Questions :

1. Is the idea of launching a new product based upon :
   (a) ascertaining market needs ?
   (b) ascertaining manufacturing capacities ?
2. (i) How much reliance can be put on Mr. Roy's estimate that cost of change in manufacturing department would be uneconomical ?
   (ii) Is it assessed carefully or seems to be a matter of guess ?
3. What are the chances of this initial work coming through ?
4. Could it have been made more certain in terms of,
   (a) Marketability
   (b) Costs
   (c) Profits ?

CASE 9

WATTS AND VOLTS LIMITED (POWER GENERATION EQUIPMENT)

'Watts and Volts Ltd.' has been manufacturing power generation equipments in small and medium sizes. The sales were conducted either directly to the consumers who would place large orders or through distributors. The company even sold abroad and 50% of its sales was due to exports.

Regional territories were the basis of sales department. The regional sales manager was responsible for generating sales, making calls to conceive new ideas as well as developing new products. Chairman of the company saw this as a problem area and appointed a marketing manager. He evolved a thorough marketing plan. It took into account the present selling efforts as well as the development of new products. He suggested an entry into the systems market. By this he meant that equipment connected to power generator should also be developed by the company e.g. irrigation pumps for use in the farms. These were to be sold as packages. The marketing manager felt that to develop these systems, it was necessary to appoint product system. The regional manager would continue to sell power generators to other consumers. The regional sales managers did not have the time to market the specialised systems, satisfactorily. Besides, they did not have system consumer knowledge and the inclination.

The marketing manager, was strongly opposed to having two parallel sales organisations under the same roof. He believed that the job of a product manager ended with successful development and introduction of a given product. The sales responsibility will be that of regional sales manager only.

Questions

1. What organisation structure would you recommend for the marketing and sales operations of M/s Watts and Volts Ltd. ?
2. Who in your opinion, is responsible for sales ? Justify your opinion in light of this case.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 10

"DYE - GEN" COMPANY

"Dye-gen" is a medium size, fast growing company. It manufactures quality hair dyes, mainly the black shade. Their sales manager was impressed by sudden rise in sale of black hair dye in a rural sales area. For last ten years, the demand for black hair dye in that area had been steady and evenly spread over the year. Sales record showed a sudden spurt in the demand in the last year, in one quarter of the year, in that area. Same thing is happening this year also. Market intelligence has come out with surprising facts :

(a) This rural area is particularly well known for the buffalo breeding and trading.

(b) Sudden rise in the demand for black hair dye in a particular quarter of the year, coincides with the cattle trading season.

(c) Buffalo breeders liberally apply the dye on the buffaloes skin,which then shines, looks jet black and attractive to the prospective buyers.

The Sales manager is happy because the overall sales figures are going up. But the marketing manger is worried, about the 'human' market reaction, if the so far little known 'animal' application becomes a public knowledge.

Questions :

What is your advice to

(a) The sales manager and

(b) The marketing manager.

CASE 11

MADHAV CAPACITORS

Madhav Capacitors is a small manufacturing firm having three technocrafts as its partners. The sales turnover is Rs. 3 crores. They sell the capacitors to customers in India. The company has never lost money. The Managing Partner attributes the company's success to basic skills in engineering, manufacturing and marketing combined with conservative fiscal and marketing policies. The company has resisted many temptations to manufacture and exciting and hazardous areas of consumer electronics. They have manufactured unglamourous industrial products only. The company manufactures high frequency transformers, capacitors and filters. These products become parts in some other manufacturers' products.

Madhav Capacitors sells products through agents. The agents are paid solely by commission at the rate of 5 percent of the sales. The customers include reputed companies like Philips, HAL, Bush, Weston etc. No customer accounts for more than 10 percent of the total sales of the company. Madhav Capacitors has rejected opportunities for dramatic growth with the help of outside financial assistance. Instead it has opted for moderate growth, basically financed from internal resources. Madhav Capacitors also rejects cut-throat price competition. Product quality and dependable delivery schedules are preferred not low prices.

Questions

1. Comment on the market strategy followed by Madhav Capacitors.
2. Which alternative distribution channels be followed for increasing sales ?
3. Comment on the pricing policies of the company. Should company adopt price discrimination to increase profit ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 12

DIGITAL EQUIPMENT LIMITED

Digital Equipment Ltd., manufactures and markets a line of calculating machines. The company has Factory and Head Office in Bombay. The sales are approximately Rs. 25 crores. The company is small in size compared to the other big manufacturers of calculating machines. The company charges Rs. 300/- for low price machines to Rs. 800/- for most sophisticated models of calculating machines. The market potential is very broad. Business houses and Government Institutions are potential customers. The company has sole selling distributor who markets the products through the wholesalers of electronic machines.

The Marketing Manager feels that there is large scales potential. But the company is not recording sales as expected. The study of the sales pattern of the company shows that the sole selling distributor is the cause for the low sales. The sole selling distributor has a subsidiary company. This subsidiary company buys used calculating machines and repairs them. Used machines are then resold at prices ranging from Rs. 100/- to Rs. 300/-. These repaired calculating machines perform well for extended period of time. This business is not only profitable but there is large demand for lower price repaired calculating machines from small business, non-profit organisations and student community.

The sole selling distributor feels that Digital Equipment should share the advertisement expenses as he cannot bear all advertising and promotional expenditure throughout the country. Besides the sole selling, distributor wants a long term sales agreement with Digital Equipment rather than two years renewals of an existing agreement.

Questions

1. What should Digital Equipment Ltd., do to motivate the sole selling distributor to sell more calculators ?
2. Should Digital Equipment Ltd., appoint other distributors perhaps segmented to type of customers - industrial and government ?
3. Should the Digital Equipment Ltd., consider producing low price models to compete with used calculator market for small business ?
4. To what extent long term sales agency agreement would help in promotion of sales all over the country ?

CASE 13

THE FINE TUNE TELEVISION COMPANY

The Fine Tune Television Company produces black and white and colour television sets. FT's offerings include a wide variety of models of various designers and colours, having 20 inch screen size.

The company is located in Bombay. FT has 4 per cent of the national T.V. market (as measured in total sales). The goal of the Managing Director, Mr. Suresh, is to increase this to 10 per cent within the next five years.

At present, management knows very little about the characteristics of owners of FT sets. Management is aware, however, that the bulk of owners of these sets reside in Maharashtra and Gujarat, while the rest are scattered in the states of Karnataka and Goa. Mr. Suresh does not feel the necessity for focusing FT effort only on certain types of consumers. In fact the philosophy is, "We sell to anyone and everyone. The Fine Tune Company neglects no one !". The marketing manager, Mr. Naresh and his subordinates share this philosophy.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

FT sells its products their dealers and departmental stores. The latter are located throughout the major cities of the 4 states. A staff of over 40 salesmen serves these channel members. Mr. Naresh thought of some channel modification in the present system, but he has never been able to decide the best course of action to follow, however.

The pricing policies of FT are changeable. For years, the company maintained prices slightly below those of competitors. This was done in the belief that lower prices would increase sales. Several months ago, Mr. Suresh expressed a desire to consider increasing prices. In his opinion, customers have a very good impression of FT. As a result, it would appear that they would be willing to pay the higher prices.

Financially speaking, the firm is in a good position. It is a division of larger company that owns over thirty companies of varying sizes. The parent company management feels that Fine Tune contributes its share of profits and has a large growth potential. As a result of this feeling, the parent company has proved FT with a generous supply of assets and credit.

The Television industry is very competitive. FT faces larger and aggressive rivals based both in India and abroad. Foreign producers enjoy a cost advantage based on low cost labour. The industry is characterised by large advertising budgets, some price competition and constant competition for differential advantage in terms of new product introductions. Mr. Suresh and Mr. Naresh both feel that most of their rivals are intent upon increasing their sales.

Approximately six months ago, the Marketing Manager came up with the idea that FT should explore the possibilities of producing and selling 14 inch and 27 inch TV sets. The marketing research terms conducted an inquiry and discovered that the market for these sizes was very large. Following this, the prototype models were developed. At this point, Mr. Naresh is responsible for developing a marketing strategy for each of the T.V. set, that is, 14 inch and 27 inch.

Questions :

1. Analyse the case.
2. Evaluate the philosophy perceived by Mr. Suresh and Mr. Naresh.
3. Evaluate the present channel of distribution system.
4. How should Mr. Naresh go about designing the marketing strategy for both the new introductions ?
5. Do you feel, the problem of cognitive dissonance would take place in the near future ? Why or why not ? If so, what action should be taken by FT company ?

CASE 14

'FIT – KIT' (MARKETING STRATEGY)

'Fit-Kit' is the brand name of a popular whole-body exerciser equipment. It is meant to be used by an individual, at home. Its utility is proven and clientale belongs to 'higher middle to higher income' segment. Growth in its sales had been steady and adequate for the manufacturer. The equipment was sold through all major sports shops in urban localities. Over last two years, however, a rising number of health conscious people is registering with a growing number of health clubs. This has adversely affected the sale of 'Fit-Kit'. A recent survey conducted by 'Fit-Kit' showed :

(a) Individuals often experienced low/no motivation to exercise alone. They preferred company.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(b) Instructor's guidance while exercising was felt important.

(c) A range of services/facilities like diet-consultancy weight-loss guidance was considered as an additional advantage of health club membership.

Questions :

As a marketing consultant suggest strategy for marketing success for 'Fit-Kit'.

CASE 15

A SCHEME FOR MARKET SEGMENTATION

As a Marketing Manager of Shoes manufacturing company, that has recently entered into a technology tie-up with a famous U.S. based company, you faced with an dilemma. Whether to produce a 'robust-cheap-sensible' sports shoe or to produce that variety, which is 'trendy-aesthetic-though expensive'. Your company's Managing Director, himself a M.B.A. (with Marketing elective) has asked you to prepare a scheme for market segmentation before settling for a product design. Here is a chance to prove your marketing talent. Submit your detailed write-up.

CASE 16

ALFA COMPUTERS AND INFO TECH CORPORATION

The second generation of computers was introduced in U.S.A. in the market in early 1983. These computers were having 4 to 16 times as much data storage capacity as first generation computers. They also could operate more sophisticated programmes and could be used as word processors.

The prices of such computers were cut down to US $ 200 per equipment to beat the competitors from first generation which were sold around US $ 100 per equipment and which were useful only for playing video games, for making relatively simple calculations and graphic display. They could not be used as word-processers due to limited memory.

The price war followed and all companies selling first generation and second generation computers engaged themselves in price cutting. Those who did not, lost market share heavily.

As a result, all competitors lost some profits. In 1984, threat of Alfa computers and Info Tech Corporation introducing second generation computers was looming large overall competitors. This would put enormous pressure on them because of strong brand name appeal of both these companies. The home computer market was changing rapidly. While first generation computers lasted five years before new models came along, subsequently models were expected to have life of two years or less due to fast changing technology.

Questions

1. What market segment do you suggest for Alfa Computers and Info Tech for their second generation computers ? Justify your answer.
2. How can the above situation be used as example of product life cycle and product positioning in the Indian context ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantala, Kolkata

CASE 17

RAJENDRA KULKARNI (ADVERTISING AND PROMOTIONAL CAMPAIGN)

Rajendra Kulkarni was a graduate with innovative mind and abilities.

He had developed a detergent which could wash clothes better and was less harmful to fabric.

The detergent was developed in two colours, the blue shade costing Rs. 5.00 per kg and the ivory shade costing Rs. 4.00 per kg. To Rajendra Kulkarni both these varieties were absolutely identical in properties except the shades.

Rajendra was ready to offer 20% commission to wholesalers on the selling price of Rs. 7.50 per kg of blue shade powder and Rs. 6.00 per kg for ivory shade powder to consumer respectively.

Competing brands of reputed multinationals were sold to the consumer in the range of Rs. 9.00 to Rs. 9.50 per kg and 10% commission was offered to wholesalers on these prices.

Rajendra wanted to approach a marketing consultant to advice him on the following questions :

1. What should be advertising and promotional campaign for this product ?
2. How should the product be distributed ?
3. Whether test marketing should be undertaken ?
4. Whether detergent cake also should be introduced ?
5. What should be the name of the product and the packaging of the product ?

Questions

If you are appointed as consultant by Rajendra Kulkarni, what will be your advice ? Why ?

CASE 18

DESIGNING THE CHANNEL OF DISTRIBUTION

Sanjay and Vijay are two enterprising youth. Having learnt of the future world-wide scarcity of conventional foods; they decided to venture into the cultivation of mushrooms. The mushrooms are known to be the best alternative food to vegetarian origin. For Sanjay and Vijay, fund-raising remains a serious handicap. However, the first trial-batch of mushrooms, that they produced was instantly bought by a star-hotel in the city. Further, the hotel has placed an order for 10.0 kgs, everyday.

Now, mushroom industry consists of small entrepreneurs, like Sanjay and Vijay. One big player, M/s Shibani Mushrooms, equipped with cold storage facility is more interested in the export market.

Sanjay and Vijay have set their sights high. They aim to sell mushrooms in a high way, all over the nation. Thing to remember is that the mushrooms have a great market potential though latent at present. Also remember that mushroom is a rather fast-perishable food.

Questions :

(a) Kindly advise Sanjay and Vijay, as to how to increase the consumer awareness about this new food product.

(b) Also give your suggestions for the design of the distribution channels for mushrooms.

CC-0 Agamnigam Digital Preservation Foundation, Chandigarh Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 19

AGRO-INDUSTRIAL CO-OPERATIVE SOCIETY

A small scale Agro-Industrial Cooperative Society was established in 1980 with initial investment of Rs. 10 lakhs to manufacture jam, squash, fruit juice, biscuits etc. The Society grew over the years and its turnover at the end of 1993-94 was Rs. 50 crores. It also performed very well against large scale competition from Parle, Pepsi, Britannia, mainly due to quality products which was the prime consideration. It was, however, noticed that the society has yet to accept the concept of professionalisation of Management. It can even do better that what it has been doing at present if adequate marketing research and development and product-mix strategies are adopted.

Mr. Ghatpande, the Managing Director of the society was thinking of making a big entry in the market for soft-drink. He in consultation with his R and D manager, has decided to manufacture the product and pack it in plastic containers of 1 litre, 500 ml. and 250 ml. packs against glass bottles which cause heavy loss due to breakage.

Please analyse the case.

1. Discuss the methodology of testing acceptability of the new product.
2. How would you position the new product in the market ?
3. Do you think that the new product will reduce the cost ?

CASE 20

M/s. CHALLENGER SPORTS OF SHRINAGAR (J & K) (MARKET SEGMENTATION)

Indeed, the success or failure of a sports-star need not have a direct effect on the sales of a company . But M/s Challenger Sports of Shrinagar (J & K) have realized this, at their cost.

As it is M/s Challenger is a leader in the sports-goods, speciality being cricket bats. They command 60% of the market share. Their production started 25 years ago in technical collaboration with M/s Hammonds of Great Britain. Since the expiry of collaboration agreement, through their own experience in the field and thanks to the best quality of wood available in plenty in the Kashmir valley, the company has launched new models at regular intervals. So much so, that not only are they the leaders in the Indian Market, but exporting their products to about 20 countries, including U.K., West Indies, Sri Lanka and Australia. The exports accounted for 30% of the company's sales of 10 crores in the last year.

The company is however, facing peculiar problems. This is regarding product differentiation. As per the present catalogue, the company has 55 models of cricket bats in different sizes and designs and quality. Prices range from Rs. 150 to Rs. 1750 per piece. Some of their models use pictures of international cricket stars. For this a royalty is paid to these stars. The pictures are known to popularise the particular model. However, if a particular cricket star fails during a season, bats bearing his picture don't sell at all, leading to a large inventory. Besides some of these stars belong to a nation which does not have relations with India at present. This has also adversely affected the sales.

Questions :

1. What policy should the company adopt about product differentiation ?
2. How can be market be segmented ?
3. In view of the company's dominant position in the market, what other recommendations would you offer ? Why ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

CASE 21

COLOUR CHEM. COMPANY

One of the major products of Colour Chem. Co. was an adhesive named 'Stickey'. Stickey was very popular for the wood and plywood industry. This adhesive was made out of entirely imported raw material.

One small company entered in this field and started the same production, giving the trade name as 'Fikshey'.

It was made out of entirely indigenous raw material. Its market segment was geopgrahically limited to the area surrounding the factory, hence it was sold at lower price than that of 'Colour Chem. Co.'.

The Colour Chem. Co., however, after years started facing serious competition in the form of its once neglected competitor, since the competitor offered the product at lower price ; the consumers from other states were willing to pay the freight, this competitor offered credit facilities, whereas Colour Chem. Co. insisted on cash payment or payment within a week. It was natural, therefore for the consumer to turn towards a company that offered them this facility of lower price. Colour Chem. Co.'s sales curve started to fail alarmingly. Market research division made the following suggestions to management to solve their pressing problem.

(i) To market another product in the same line.

(ii) To reduce the price by mixing important raw material with indigenous raw material.

(iii) Credit and discount facilities should be offered to customers.

(iv) By using intensive advertising and demonstration of performance and quality goods.

Questions :

What market strategy would you suggest for capturing the lost market ?

CASE 22

MARKETING STRATEGIES OF THE CO-OPERATIVE STORE

An urban consumer cooperative store is functioning for last five years in 'Kirana' goods. The membership is now about 60,000 strong. The store operates through its four branches situated at prominent locations. The store has now decided to enter into the field of marketing the notebooks for school and college students. Notebook manufacturers are willing to supply as many notebooks as the store may demand.

Write a note on the capacity and context of marketing manager about marketing strategies that the 'Cooperative Store' should adopt.

The cold Ice–Cream Company is planning to test the market for a new frozen-fruit based dessert. This is very different from an ice-cream based dessert. This product is to be test marketed in Nagpur. During the 'test' the company wishes to evaluate the effectiveness of Rs. 6 off coupon.' Price of the dessert per unit pack is Rs. 22.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

The marketing team believes that the use of 'coupon' will result in a greater brand awareness and product trial among those receiving 'coupon' as compared to those who do not receive the 'coupon'. It is also believed that among those who receive the 'coupon', a large proportion will buy the product at full price at least once, during the test period. This number is expected to be bigger than those who will not acquire the 'coupon'.

Which information does the company need and what are the variables to be studied ?

CASE 23

'CHAPPALS' (MARKETING STRATEGY)

'Chappals' is a big brand name in the leather footware industry. It is a creation of a company based in Kolhapur. This city in Maharashtra has a tradition of leather crafts. 'Chappals' now even made an entry in American footware market. However, it is facing a stiff competition from the various brands of Hawai, the rubber-slippers. These are synthetic in nature and not recommended for prolonged use. However, being mass-manufactured, they are low in price and available even in the remotest parts of the nation. As against this, the hand-crafted footware from 'chappals' though good for every day use is relatively more expensive and less readily available in some parts of the nation. The marketing manager of 'chappals' seeks your advice on competitive marketing strategy with particular reference to the product positioning.

CASE 24

THE MANAGEMENT OF THE HEALTH CLUB

You have been appointed as the marketing manager of a health club, having its own international grade indoor swimming pool. In the last year, two deaths occurred in the swimming pool. Public, at large, doubts the safety provisions at the swimming pool. The membership stands adversely affected. The management of the health club had appointed a fact-finding committee. Its suggestions are as follows :

(a) Reduce the membership fee to attract more price-conscious members or increase the membership fee to attract the up-market membership.

(b) Try to hide the fact of deaths at the swimming pool from the public's notice or call the press and eminent public personalities and convince them that the clubs management is not guilty.

As a marketing manager which suggestions will you endorse and why ? What is the real problem for the 'club' ?

CASE 25

INDIA CAR COMPANY

Chairman of India Car Company is a man of conventions. He tells his staff, "Look, modern marketing concept is all useless. Agreed that 'customer is the king'. But don't depend on him to generate new product ideas." Head of product design section believes that "Great product ideas are born in labs only. Ignore the ignorant customers". In this organisation, so far, only sales function was considered important. You now, are appointed as the Marketing Manager. Write a note in this capacity and context, to the company's chairman, explaining and justifying the new set-up for the marketing department you have in mind.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

CASE 26

SUGANDHA MOUTH FRESHNERS LIMITED

'Sugandha Mouth Freshners Ltd'. has been a major player in the national market. Their tobacco-based product by the brand-name 'Khushboo', is very popular and enjoyed 50% share of the market for last 5 years. Recently they have introduced a non-tobacco mouth freshner, by the name 'Sugandha'. This is being received well, especially by the youth segment.

Recently the Government has launched an advertising campaign, asking the people to give up tobacco consumption. The company is, at present, facing two problems :

(a) Fear of drop in sales of tobacco-based 'Khushboo'.

(b) People's growing belief that even 'Sugandha" contains some tobacco.

Please advise the company on the following aspects :

(i) Product positioning for 'Sugandha' and 'Khushboo'.

(ii) Customer education and awareness.

CASE 27

AMALA FINANCIAL SERVICES

'Amala Financial Services' is a subsidiary company of a large car manufacturing company. It is operating in the car finance business for last three years. The directors of the company want to diversify into housing finance business. The company has earned good reputation in current business of car finance. However, the company has acquired a rich-classes-friendly image. The company plans to enter the housing finance market in a time-bound manner, to emerge as a key player.

Phase I : Urban market : By the end of 2nd year.

Phase II : Semi-urban market : By the end of 4th year.

Phase III : Rural market : By the end of 6th year.

As a marketing manager, recommend an organisation structure that will cope up with the phased expansion plan.

CASE 28

'VRIDDHI 2000'

'Vriddhi 2000' is the new seed variety of rice, developed by Ashok Agro Ltd. after five years of research in laboratory and the paddy fields. 'Vriddhi 2000' will be twice as costlier as the present variety, 'Vikas 1000' being marketed by Ashok Agro Ltd. However, significantly the crop yield of 'Vriddhi 2000', is expected to be thrice as 'Vikas 1000'. 'Vikas 1000' sales have been consistently improving since it was launched three years ago.

Directors of Ashok Agro Ltd., fear the 'Vriddhi 2000' may cannibalise 'Vikas 1000'. 'Vikas 1000' is in the growth stage of its PLC.

In your opinion, as a marketing consultant, will you consider with holding the launch of 'Vriddhi 2000' till the time, sales of 'Vikas 1000' start dropping ? Justify your opinion.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Gandhi

Gandhi Memorial College Of Education Bantalab Jammu

CASE 29

LIGHTENING COURIER SERVICES (MARKET PLAN)

'Lightening Courier Services' is the name of proposed venture, of a fleet owner Mr. Speedy. He is a prosperous transport buisnessman of 15 years standing. However, Mr. Speedy has very little knowledge about courier service marketing. He seeks your advice on the preparation of a market plan which should be effective on national level. The present fleet of 1000 trucks will be the strength on which he wants to capitalise.

Prepare a write-up suggesting to him an appropriate market plan keeping the fundamentals of services marketing in view.

CASE 30

SUPER LUGGAGE LIMITED

'Super Luggage Ltd.', a famous bags and baggages manufacturing company, is facing a serious set-back in the market. Reason for this is seen to be a very strong, dealer-promotion scheme, employed by 'Hawana Luggage Ltd.' a rival company. This company is even offering a week-long trip to Singapore for two, to the dealers, if they sell 30,000 pieces in a year.

M/s. 'Super Luggage Ltd.' how always stressed on giving discount to actual consumer, besides offering them the superior product and service. Now they do not know how to handle the aggressive promotion of their rival firm ?

The company appoints you to offer sound marketing advice will special reference to the promotion policy.

CASE 31

AN URBAN CONSUMER CO-OPERTATIVE STORE (MARKETING MANAGER)

An Urban Consumer Cooperative Store is functioning for last five years in 'Kirana' goods. The membership is now about 60,000 strong. The store operates through its four branches situated at prominent locations. The store has now decided to enter into the field of marketing the notebooks for school and college students. Notebook manufacturers are willing to supply as many notebooks as the store may demand.

Write a note on the capacity and context of marketing manager about marketing strategies that the 'Cooperative Store' should adopt.

CASE 32

THE COLD ICE-CREAM COMPANY

The Cold Ice–Cream Company is planning to test the market for a new frozen-fruit based dessert. This is very different from an ice-cream based dessert. This product is to be test marketed in Nagpur. During the 'test' the company wishes to evaluate the effectiveness of 'Rs. 6 off coupon.' Price of the dessert per unit pack is Rs. 22.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The marketing team believes that the use of 'coupon' will result in a greater brand awareness and product trial among those receiving 'coupon' as compared to those who do not receive the 'coupon'. It is also believed that among those who receive the 'coupon', a large proportion will buy the product at full price at least once, during the test period. This number is expected to be bigger than those who will not acquire the 'coupon'.

Which information does the company need and what are the variables to be studied ?

CASE 33

SAME PRODUCT DIFFERENT PACKAGING

The Toilet Preparation Division of a big manufacturing organisation in Mumbai could reduce its material cost by 25% by using cardboard containers instead of metal containers for their finished product of face powder. This substitution eased the availability of packaging materials and the customers did not feel the difference with a better get-up. There was no fall in the sales figure. The customers were concerned about the quality of the product not the packing.

Some Issues

1. What initiated this search substitute :
   (a) Desire to reduce cost ?
   (b) Difficulty in availability of original material ?
2. What was the basic principle used:
   (a) Value analysis ?
   (b) Function analysis ?
3. Results are due to what ?
   (a) Knowledge of engineering ;
   (b) Knowledge of packaging;
   (c) Common–sense ;
   (d) Desire to get results ?
4. Would there be more similar other items in packing of basic materials ?
5. Would there be such scope in other materials ? If so, as the case stand.
   (a) Is it being tapped ;
   (b) Should at be tapped ;
   (c) What approach or system can ensure realizing all possible scope ;
   (d) In what order of priority should the items be investigated ?

CASE 34

THE PACKING CASE

A certain electrode manufacturing company used to buy approximately 400,000 pcs. packing cases in a year and the specifications provided for $\frac{5}{8}$" thickness of the plank. During the annual contract suggestions were invited from the supplier with a view to economising invited from the supplier with a view to economising on the cost.

One supplier came, with the suggestion that by reducing the thickness from $\frac{5}{8}$" which was a non-standard size to $\frac{1}{2}$", the saving per case would be approximately 50 p. This was implemented with the help of the technical personnel concerned and resulted in a saving of nearly two to three lakhs of rupees per year on single item.

CC-0 Agamnigam Digital Preservation Foundation, Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Some Issues :

1. What could be the cause of thinking of a change in packing cases ?
2. How long might this indirect unknown loss have been carried on ?
3. Does it affect the
   (a) Profitability of the company
   (b) Price at which they can market the product
   (c) Marketing volume and hence volume of turnover
   (d) Again, overall profitability to a higher volume ?
4. What is the possibility that this process would be extended to other packing as well as other raw material items ?
5. What should be done to ensure that no such unknown loss happened in future ?
6. How to curtail the loss to a minimum while effective action took place ?

CASE 35

BEAUTY COSMETICS LIMITED

Beauty Cosmetics Ltd. was one of the leading manufacturers of cosmetics in India. Their product-line included over 50 varieties of items which were sold mostly to consumers through the established channels of distribution, i.e. the wholesalers and retailers. The marketing division of the company was headed by a Marketing Director under whom worked the Sales Manager, the Advertising Manager, and the Marketing Research Manager. The company spent over Rs. 10,00,000 annually on advertising using extensively the advertising media, such as newspapers, magazines, radio and outdoor advertising.

Early in 1959, the company was considering the possibility of introducing a new brand of soap. The company was already marketing four brands of soaps of the following description:

Brand	Description	Price
1.	French perfume special appeal to ladies of discriminating taste	Re. 1
2.	Ingredients same as those of brand 1 - a mighty good soap for the family.	P. 75
3.	Instant pore deep cleanliness - all purpose family soap.	P. 50
4.	Medicated – ingredients same as those brand 1 and 2.	P. 80

The proposed additional brand was to be priced at 25 paise. There were no competing brands selling at 25 paise in the market. The new brand could be used both by children and adults. In view of its low price, it could also be used for washing light clothes. The special features of the new brand were :

1. Sturdiness – lasts long
2. Attractive fragrance
3. Plenty of lather
4. Cleanliness to satisfaction.

A market survey conducted by the company revealed that there was a need for such a soap ? The company therefore, decided to introduce the brand. One of the problems faced by the company was the selection of the brand name. It was thought that by inviting, suggestions from the public, the company would possibly get some good suggestions and at the same time, the new brand would get prelaunching publicity. Accordingly, advertisements were inverted in all leading dailies (EXHIBIT 1) inviting is suggestions from the public. Within one month from the date of insertion of the advertisement, over 1,200 suggestions poured in. The Marketing

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Director appointed three of his staff assistants to constitute a committee for the purpose of preliminary screening of the suggestions. After having carefully gone through each suggestion, the committee finally prepared a list of suggestions (EXHIBIT 2) for final consideration.

The Marketing Director convinced a meeting of all his staff assistants and some of his salesmen to discuss the final list of suggested brand names. All the members invited for the meeting were supplied in advance a copy of the final list of suggestions as prepared by the committee and a note on criteria to be used prepared by the Marketing Director (EXHIBIT 3). The Marketing Director had the following questions in his mind :

1. Whether to entertain any new suggestions that might be made by the members of the meeting.
2. Whether to select a name that had more or less than six letters.
3. Whether he should be bound by the decision of the majority.

EXHIBIT 1

Rs. 500 MUST BE WON

How.

1. Suggest a six-letter grand name for a toilet soap which is going to be introduced in the market by a leading manufacturing company.
2. State briefly the reasons in support of the name suggested.
3. Type out your suggestion on a neat paper and mail it to Box No. .....

Note : The decision of the management of the company is final and no correspondence would be entertained. If there are two or more winners, the amount would be shared by them equally.

EXHIBIT 2

LIST OF BRAND SUGGESTIONS PREPARED FOR THE MEETING

1.	CLEEN	:	Easy to pronounce-suggestive of quality.
2.	SOAP	:	Easy to pronounce and remember-slogan.
3.	FRAGRANCY	:	Suggestive of quality-stylish name.
4.	CYNDERALLA	:	Suggestive-associated with beauty.
5.	LATHER	:	Suggestive of feeling.
6.	MONKAY	:	Appeal to mob–very easy to remember.
7.	SUNDER	:	Suggestive-beauty.
8.	WITHER	:	Suggestive easy to pronounce-slogan.
9.	SNOWBALL	:	Suggestive colour-cool, comfort.
10.	SAVOON	:	In Hindi-sounds as saboon.
11.	CHAMPION		
12.	O. K.		
13.	AMEENA		

EXHIBIT 3

CHARACTERISTICS OF A GOOD BRAND NAME

1. Short.
2. Simple.
3. Easy to spell.
4. Easy to read.
5. Easy to recognize.
6. Easy to remember.
7. Pleasing when read.
8. No disagreeable sound.
9. Easy to pronounce.
10. Pleasing when pronounced.
11. Cannot be pronounced in several ways.
12. Does not go out of date.
13. Adaptable to package or label.
14. Can be easily connected with trademark.
15. Available for use (not in use by another firm).
16. If to be exported, pronounceable in all languages.
17. Not offensive, obscence, or negative.
18. Not similar to some foreign word.
19. Descriptive or suggestive of product and use.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART III
THE CASE STUDY EXERCISES

SECTION VI
CASE STUDIES IN ORGANISATIONAL BEHAVIOUR

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

SECTION VI
CASE STUDIES IN ORGANISATIONAL BEHAVIOUR

CONTENTS

Case 1	Aquarius Banking Company (Leadership Style)
Case 2	Behaviour of Manoj (Motivation Theories)
Case 3	Problem Solving Profiles
Case 4	Narmada River Story
Case 5	The Bus Accident
Case 6	Subhodh Corporation (Motivation Theories)
Case 7	Computer Production Firm (Organisation Structure)
Case 8	Zunzunwala Travel (Resistance to change)
Case 9	Chandrakanta and Supervisor (Grievance)
Case 10	Sales incentives at Priya Pharmaceuticals
Case 11	Shanmugam and the Stores Department
Case 12	The Rueful Results of Records from Relocation (Group Dynamics)
Case 13	The Golden Technology Group (Relations between members)
Case 14	Children's Summer Camp
Case 15	The Natraj Metal Products Company
Case 16	Mr. Krishna Rao's Confusion (Management of Change)
Case 17	S.S. Transport Company (Behavioural Processes)
Case 18	Ram, Sham and Hari (Motivation Models – Maslow and Herzberg)
Case 19	Venkat Pawar (Inter-personal processes)
Case 20	Motives of Rajesh (Motivational Models)
Case 21	Psychological Profiles of Mohan (O.B. Implications)
Case 22	Tatu and His Supervisor (O.B. Model)
Case 23	Ishwar's Influencing Tactics
Case 24	Behaviour Aspects

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Case 25	Microtech (Motivational Approach)
Case 26	Ace Marketing Services (Behavioural Issues)
Case 27	Ashok Mitra (Development of Personality)
Case 28	Importance of Role of Motivation.
Case 29	M/s. Punag Mahi Limited
Case 30	Functioning of Chief Executive of a Manufacturing Company
Case 31	Everest Stores Private Limited.

CASE 1

AQUARIUS BANKING COMPANY (LEADERSHIP STYLE)

Jayant Parashar was the manager of special projects at the Aquarius Banking Company. He had recently been made an officer in the Bank and reported directly to the chairman. During his five years at Aquarius, Jayant has been involved in the investigation, development and implementation of some new services. Typically, he was assigned one other employee to help him on these special projects.

Recently however, Jayant was presented with what he considered to be the biggest challenge's his career. Partnership banking had become the 'hot product' in the banking industry. In partnership banking, each customer is assigned a liaison at the Bank. This person co-ordinates the services provided and acts as an advocate for that customer within the bank. Aquarious Banking Company was ready to jump on the bandwagon. Jayant was made responsible for developing and implementing the new service. Because of the size of the project, he was assigned five bank employees to assist him; selected from five departments identified by the Chairman. The Manager of each department selected one employee. Together, the five employees would form what was called the "Partnership task force."

Interviews with the five Managers indicated that they had chosen workers who could easily be spared from their current duties. The following persons comprised the team :

1. *Prashant Godbole*, an admin. assistant to the assistant general manager (operations).
2. *Jitu Jagasia*, a newly appointed senior loan officer.
3. *Makarand Dempo*, a recently promoted branch manager of a small countryside branch.
4. *Arlette Rodrigues*, a marketing staff member and,
5. *Jaswant Khurana*, a trainee assigned to the office of the Chairman.

At the first weekly meeting of the task force, Jayant outlined his goals for the project and a tentative time-table. There was little discussion and the meeting was quickly adjourned. At the second meeting, Arlette Rodrigues presented a list of ideas. These elicited no interest or discussion from the other members. Subsequent weekly meetings followed similar pattern. Either Jayant offered suggestions, ideas and comments with little discussion or the discussions were reduced to verbal battles between Makarand Dempo and Arlette Rodrigues, who each seemed to feel that he or she had the most, frankly the only, expertise to design the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

partnership banking programme. Occasionally, the task force members seemed to agree that they had identified some significant components of the new programme. However, no one worked on the project outside the group meetings time; and at the start of the meeting, previous progress was ignored.

Jayant expressed considerable frustration over the slow progress of the task force, in its efforts to develop a sound, viable programme. He felt they were not working as a team and that individual agendas were dominating too frequently. After two months of weekly meetings, Jayant told the chairman, he thought the group should be reconstituted if partnership banking were ever to be introduced at Aquarius.

Questions

1. Analyse and identify the group processes inherent in this case.
2. Comment on the leadership style and performance of Jayant Parashar, using appropriate leadership model (s).
3. If the sugestion to reconstitute the task force is accepted, what would be your suggestions for reconstituting it ? Give your reasons for the suggestions and the benefits expected.

CASE 2

BEHAVIOUR OF MANOJ (MOTIVATION THEORIES)

"Just leave me alone and let me do my job," said Major Prasad. Dumb founded, Bipin Kambli, Prasad's supervisor decided to 'count to ten' before responding to his fury. As he walked back to his office, Bipin thought about how Manoj had changed over the past few months. He had been a hard worker and extremely co-operative when he came to work under Bipin. Two years earlier, the company had sent Manoj to a training school and had received excellent reports about his performance there.

Till about a year ago, Manoj had perfect attendance record and was virtually an ideal employee. At about that time, however, he began to have personal problems which resulted in a divorce six months later. Manoj had requested for leave very often to take care of his personal business and Bipin had helped him in every way he could. He tried not to get involved in personal affairs of Manoj. But he was aware of the strain Manoj must have experienced as his marriage broke-up and as he and his wife engaged in the subsequent disputes over child custody and alimony payments.

At about the same time, top management initiated a push for improving productivity. Bipin found it necessary to put additional pressure on all his workers, including Manoj. He tried to be considerate, but he had to become much more performance oriented insisting on increased output from every worker. As time went on, Manoj began to show up late for work and actually missed two days without informing Bipin in advance. Bipin attributed Manoj Prasad's behaviour to extreme stress and mainly because Manoj had been such a good worker for so long, he excused the tardiness and absences, only mildly suggesting that Manoj should try to do better.

Sitting at his desk, Bipin thought about what might have caused Manoj's outbrust a few minutes earlier. Bipin had simply suggested to Manoj that he shut down the machine he was operating and clean-up the surrounding area. This was a normal part of Manoj's job and something he had been careful to do in the past. Bipin thought that the disorderliness around Manoj's machine might account for the increasing number of defects on the jobs he was making. "This is a tough one. I think I will talk to the boss about it." thought Bipin.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

Questions

1. Analyse and explain behaviour of Manoj Prasad as worker and as family man and their interconnection in different roles.
2. How do you explain Manoj's motivation in terms of the motivation theories ?
3. What else should Bipin Kambli have done for Manoj, as his supervisor ? Give reasons for your suggestions.
4. As Bipin's boss, what would be your advice ? State the reasons and the expected outcome.

CASE 3

PROBLEM SOLVING PROFILES[1]

Respond to the following items as required. There are no right or wrong answers.

Part I : Circle the response that comes closest to how you usually feel or act.	**Part II :** Which word in the following pair appeals to you more ? Circle A or B.
1. Are you more careful about : A. People's feelings B. Their rights	10. A. Compassion B. Foresight
2. Do yo usually get on better with : A. Imaginative people B. Realistic people.	11. A. Justice B. Mercy
3. Which of these two is the higher compliment ? A. A person has real feeling. B. A person is consistently reasonable.	12. A. Production B. Design
4. In doing something with many other people, A. To do it in the accepted way. B. To invent a way of your own.	13. A. Gentle B. Firm
5. Do you get more annoyed at : A. Fancy theories B. People who don't like theories	14. A. Uncritical B. Critical
6. It is higher praise to call someone : A. A person of vision B. A person of common sense.	15. A. Literal B. Figurative
7. Do you more often let : A. Your heart rule your head. B. Your head rule your head.	16. A. Imaginative B. Matter-of-fact.
8. Do you think it a worse fault : A. To show too much warmth. B. To be unsympathetic.	
9. If you were a teacher, would you rather teach, A. Courses involving theory. B. Fact courses.	

[1] From Solcum and Heuriegel, "A Look at How Manager's Minds Work." Business Horizons, July–August – 1983, 58–68.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Scoring Key

This key is to be used to diagnose your responses to the questionnaire. Count one point for each response on the following four scales. Then, total number of points recorded in each column. Instructions for classifying your scores are indicated below.

Sensation	Intuition	Thinking	Feeling
2B_	2A_	1B_	1A_
4A_	4B_	3B_	3A_
5A_	5B_	7B_	7A_
6B_	6A_	8A_	8B_
9B_	9A_	10B_____	10A_____
12A_____	12B_____	11A_____	11B_____
15A_____	15B_____	13B_____	13A_____
16B_____	16A_____	14B_____	14A_____

Classifying Total Scores

Write intuitive if your intuition score is equal to or greater than sensation score. Write sensation if sensation is greater than intuition.

Write Feeling if feeling is greater than thinking.

Write Thinking if thinking is greater than feeling.

When Thinking equals Feeling, you should write Feeling if a male and Thinking if a female.

Personality Types

Sensing Managers take in information through their senses and attend to the details of the problem. They like to solve problems in standard ways. They are patient with routine details and are precise in their work. They distrust creative inspirations and usually work all the way through to reach conclusions. They emphasize action, urgency, and bottom-line results.

Intuitive Managers like solving problems and are impatient with routine details. They perceive the problem in its totality and consider several alternatives simultaneously. They are imaginative and futuristic, enjoying mind-testing games.

Feeling Managers heavily emphasize the human aspects in dealing with organisational problems and are more process oriented. They enjoy pleasing people and avoid conflicts.

Thinking Managers are logical and analytical in their problem solving and search for additional information in a logical manner.

Intuitive Thinkers (NT) are the architects of progress and ideas. They are interested in the principles on which the organisation is built and seek answers to the 'whys' of events. They have enormous drive and are creative.

If organisations do not have some NT's, change will be minimal.

Possible Weakness : NTs may not always be aware of the feeling of others. Unless subordinates are intellectually competent, they may not be considered valuable. They expect a great deal of themselves and others and tend to escalate standards.

Sensation Feelers (SF) : Deal with concrete problems in a methodical way. They have astute powers of observation regarding the details of how an organisation is run. SFs do not fight the system, but use what is available for problem solving. SFs are non-judgemental of their co-workers and do not look for underlying motives and meanings in people's behaviour.

If organisations do not have SFs, small problems will go unattended till they become big.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Possible Weakness : SFs may be reluctant to accept new ideas and are impatient with abstract theories. They react adversely to radical changes. They have difficult honouring commitments and decisions made in the past since they live fully in the present moment.

Sensational Thinkers (ST) : Are decisive and excellent at decisions involving precise interpretations of facts and figures. They are perserving and precise. They want the oganisation run on an impersonal basis. They are hard working and super dependable.

Oganisations run efficiently because of such managers.

Possible Weakness : STs cannot tolerate delays due to complications. In periods of rapid changes they still cling to rules and procedures which is dysfunctional. While dealing with others, STs may not accurately perceive the interpersonal process. They withold rewards unless fully deserved by others.

Intuitive Feelers (NF) : Have personal charisma and commitment to the people they lead. They communicate their caring and enthusiasm. They are comfortable in an unstructured, group-centered management system that lets employees participate in the decision-making process.

Without NFs an oganisation will become cold, sterile and dull.

Possible Weakness : NFs may make decisions on the basis of personal likes and dislikes. They often try to please others all the time.

Some Occupational Choices of Different Personality Types [2]

Sensation-Feelers	Sensation-Thinkers
Craftsmen	Actors
Computer Science Support Staff	Certain types of Administrators
Designers	Clinical Lab Technologists
Doctors	Counsellors in general
Engineering and Science Technicians	Editors and Reporters
Health care Therapists	Engineers
Journalists/Writers	Occupational Therapists
Judges	Office Machine Operators
Managers and Administrators	Photographers
Media Specialist	Receptionists
Nursing Administrators	School Teachers
Pharmacists	Speech Pathologists
Rehabilitation Counsellors	
Restaurant Managers	
Sales Representatives	
Social Scientists	
Store Keepers	
Teachers	

---

2 From Myers, I. B., and McChauley, *A Guide to the Development and Use of the Myers Briggs Type Indicator*, Palo Alto : CA, Consulting Psychologist Press, 1985.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2026-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Intuitive-Feelers

Aeronautical Engineers
Artists and Entertainers
Co-ordinators
Computer Specialist
Detectives
Lifeguards
Musicians and Composers
Physical Scientists
Psychologists
Research Scientists
Therapists
Writers

Intuitive-Thinkers

Chemical Engineers
Computer Programmers
Counsellors
Electric and Electronic Technicians
Doctors of Medicine
Managers
Marketing Personnel
Mechanical Engineers
Protective Service Workers
University Teachers

CASE 4

NARMADA RIVER STORY (IN-CLASS EXERCISE)

You are about to read the Narmada river story. After reading the story, your task is to rank the six principal characters in the story in their offensive behaviours. The character who seems to be the most reprehensible will be ranked number one the second most offensive person as number two, and so on till you have ranked all six characters in the story. Fill the first tabular column provided at the end of the story for this purpose. Since you will no doubt have your own reasons for ranking them in the way you do, do note your reasons also briefly in the appropriate column provided. Bring the complete information to the next class:

The Narmada River Story

There lived a woman name Roshna who was deeply in love with her cousin Ashok. Ashok in turn loved her very much. The two lived on the opposite banks of the river Narmada. Every Saturday Roshna went to her aunt's house and spent the weekend with her aunt, uncle and cousin Ashok. Ashok also visited her family, usually on Wednesdays for a few hours.

Torrential rains poured continuously for six days during last October and the waters of the river rose to dangerous levels. The low lying bank where Ashok lived was almost submerged in water and nobody was sure to what extent damages had occured. The bridge across the river was broken and people had no way of keeping in touch with each other. The uncertainty caused a lot of grief to many people, and needless to say, Roshna and her family were terribly upset not knowing what had happened to their relatives across the river.

Feeling awfully restless, Roshna went to the old man. Yadav who was carrying food supplies across the river for some special friends of his, and requested him to take her to the other side. She narrated her plight and said that she would pay him Rs. 50 for his favour (the usual ferry charges were Rs. 5 for a round trip). Yadav said that taking her meant carrying less food for the needy and he would not be willing to do so unless she could at least double her fare. Since Roshna and her parents were poor and did not have much money, she did not have

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

the Rs. 100 that he asked for. Actually, even the Rs. 50 she had with her was the money with which she was to have bought a text book. She pleaded and cajoled, but to no avail. As she sat dejected under tree, Roshna sighted her college mate, Lakshman, whose father owned a ferry, and narrating her plight begged him to take her across the river. Lakshman said he would be pleased to accede to her request in return for a small favour. He wanted to kiss her just once on her lips. He told her how much in love he himself was with her and how he had always dreamt of kissing her just once ! As she stood horrified by this unexpected proposition, a mutual friend of theirs, Vishnu, approached them.

The moment Lakshman saw Vishnu, he told him that Roshna wanted to cross the river and he would be happy to take her in his ferry if only he could kiss her once. "Is that such a big price for her to pay"? asked Lakshman, while Roshna stood there feeling terribly embarrassed. Vishnu shrugged his shoulders and said that he did not want to get involved in something going on between the two and walked away. Not knowing what else to do, and wanting to see Ashok very badly, Roshna, very reluctantly agreed to Lakshman kissing her just once. "Never, never, never again do I want to have anything to do with you, and you must promise to leave me alone in the future." she said. He agreed, then kissed her and took her to the other side of the river.

Roshna was crying all the time as she walked from the river bank to Ashok's house. When she saw Ashok alone at home she wept even more bitterly. Not understanding why she was so unhappy. Ashok assurred her that they were all alright and that she should not be so upset. When he said this, Roshna started sobbing bitterly. She then told him what had happened. Ashok immediately flew into a rage and slapped Roshna on both her cheeks. Ashok's father, Pradip Patel, who just then walked into the house, saw his son hitting Roshna and the poor girl wailing loudly. He then took his belt and beat up his son badly. Roshna walked out of the house feeling avenged as the sun was setting in the Western sky. There was a smile on her face for the first time since the last few days when the rains poured incessantly and the river flooded !

Rank	Character	Reason
1		
2		
3		
4		
5		
6		

The Narmada River Exercise – Part – II

Organise yourself into groups of three to five as instructed by your professor and do the following :

1. Tabulate how your group members ranked each of the characters below :

Character	First	Second	Third	Fourth	Fifth	Sixth
Ashok						
Lakshman						
Pradip Patel						
Roshna						
Vishnu						
Yadav						

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Find out the reasons why the group members ranked the characters the way they did ? (Do this in about 5 minutes).

3. See if your group can arrive consensus on the rankings.

   (a) If you can, be prepared to tell the class during the debriefing, the basis on which you arrived at the agreement.

   (b) If you cannot, what were the main reasons that blocked a consensual ranking ? Be prepared to discuss them during the debriefing. (Do not spend more than 15 minutes on this part.)

CASE 5

THE BUS ACCIDENT[3]

The police report read that bus member 11123 while on its route from Ambattur to Madras on April 16, 1986, had an accident some 30 miles from Poonamallee–an apparent collision against a banyan tree. When the policeman on beat arrived at the scene around 1.30 p.m. he was unable to locate the driver. The passengers - some 35 of them - were in a state of panic. All of them had got down from the bus and many were sitting under the shade of a nearby tree some distance from where the bus stood with its damaged front part. Children were crying and the women passengers were screaming as they saw the policeman walk towards them. The men were talking loudly, all at the same time. Nobody was able to state clearly what had happened or at what time exactly the accident had taken place. Estimates of when the accident occured varied from 35 minutes to 2 hours earlier.

Three days later, the General Manager of Pandyan Transport was sitting at his desk looking at three different reports infront of him. One was the policeman's report which detailed the extent of damage to the bus, and the fact that the driver had abandoned the bus without telling the passengers where he was going or what they should be doing. The Regional Transport Officer (RTO) who was summoned to the scene two hours later also filed a report of his assessment of the damage. He stated that Thangavelu, the driver, whose record indicated that he had been a fairly safe driver for almost two decades, had been involved in a couple of minor accidents in the past six months. The first was then he hit a cyclist who fortunately sustained only some minor bruises and had his cycle intact, and the second when he drove into a ditch on a rainy night. Fortunately, again, there were no serious injuries to anyone and no damage to the bus. The RTO said that he had a suspicion that Thangavelu was perhaps driving under the influence of alcohol. Actually, according to the RTO, Thangavelu was found by one of the policemen inside the hut near the place of the accident drinking toddy at 5.30 p.m. on April 16, and from there he was taken to the police station. The RTO felt that Thangavelu's behaviour was totally irresponsible in as much as he left the spot of the accident (something that the rules absolutely prohibited) and on the top of that he was drinking right after the acccident !

The third report infront of the Manager was the one filed by Thangavelu himself. Thangavelu stated that in an effort to avoid a stray cow on the road, he swerved the bus and accidentally hit the tree on the side of the road on April 16. As soon as the accident happened, he wanted to report the incident to the police and his bus towed away. But he did not want to alarm the passengers and hence got down from the bus, signalled to the passengers that he will be back, and walked in search of a nearby telephone to contact the police and his head office.

---

3 Case adapted from "Same Accident : Different Perceptions" by Luthans (1985).

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Unfortunately, even after the walking four or five miles, there was no telephone in sight, but he knew there definitely was one in the Tehsildars home a few miles away. Hence he walked further but on reaching the place he found that the house locked. Knowing that the passengers would be in a state of frenzy, he started to walk back to the bus, but on arriving at the spot he found neither the bus, nor the passengers. By this time, he was weary, and guessed that the police must have arrived at the spot, transported the passengers by another bus, and towed away the damaged bus. Since he was dead tired after all the walking and since his hours of duty were already over, he thought he would soothe his nerves with some toddy. That was the time when the policeman came into the hut and dragged him away. Thangavelu said that he did not walk away from the scene of the accident but he had acted in the best interests of his passengers. He did not want them to panic and thought he would find a telephone within a mile or so. He tried to be dutiful in the only way he knew how, and had no other option but to do what he did !

Questions :

1. What kinds of perceptual processes were operating in the three different reports ?
2. What additional information would you, as the manager of Pandyan Transport, seek to clarify your own perception of the incident ?
3. Give the information provided in the case, how would you resolve the issue of whether or not to fire the driver ?

CASE 6

SUBHODH CORPORATION (MOTIVATION THEORIES)

Subhodh Roy, public relations officer a pleasing personality, is a reliable employee of Sudharas Corporation. Subhodh can always be counted on to get his work done accurately and on time. He is punctual, works steadily and gets along well with other people. He has been in his current position of maintaining good public relations for over nine years, but the fact that he has not been promoted recently is not of great concern to him. The pay is good, his super boss is fair and not overly demanding, his work area is well equipped, he likes people he works with, and company treats its employees well.

Nevertheless, he looks forward to 5.30 p.m. He is active outside the office - especially with the hobbies and recreational pursuits. He is the member of the company cricket team, is a boy scout leader and dabbles in oil paintings. He is active member of the drammatist association. He is M.B.A. graduate and awarded diploma in taxation. During the month of March session, he enjoys helping friends complete their personal tax reports.

Read the situation described above, then answer the questions that follow :

1. Is Subhodh a turned-on or a turned-off. employee ?
2. Is job satisfaction important to Subodh ?
3. What type of job factors - motivator or hygiene - are determining the way Subhodh feels about his job ?
4. Using Vroom's expectancy model, examine Subhodh's behaviour.
5. How can a company utilize McCleland's Theory of motivation in this case ?

CASE 7

COMPUTER PRODUCTION FIRM (ORGANISATION STRUCTURE)

John Joseph recently became the General Manager of an autonomous division of a nation-wide computers production firm. The division employs 150 workers in a rural location. As the sole manufacturer of an innovative soft and hard wares, the division has grown fastly.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Originally, the division had a staff of only twenty five employees ; it reached its current size just two years prior to Joseph's appointment. In fact before his arrival the plant's central leadership came from the main office Madras city, with department heads receiving, their orders directly from a corporate vice-president who would spend one or two days a week at the division.

Since the division came up practically overnight, Joseph expected to encounter a certain amount of disorganisation and he was not disappointed. After his first four weeks on the job, it became clear to him that changes would have to be made. Fortunately, the department heads were all experienced professionals who recognised that workers relations problems had developed as a result of rapid growth, even if they did not know how to deal with them. Encouraged by their receptivity, Joseph decided to begin the task by surveying the jobs, workers and leaders in the organisation to determine just what the problems were and how they should be addressed.

Read the situation in this case and answer the questions that follow :

1. From the limited data given above, what do you think is the principal economic relations for the creation of division as an organisation ?
2. Why is it important for Joseph to recognise the potential existence of informal groups in performing the survey ?
3. What would you guess is the organisation structure of the division ? Why ? The main corporation ? Why ?
4. Was Joseph's appointment a move toward centralization or decentralization ? Explain.
5. What types of worker relations problems do you think Joseph's survey is most likely to identify ? Why ?

CASE 8

ZUNZUNWALA TRAVEL (RESISTANCE TO CHANGE)

Zunzunwala Travel is a large travel agency with an employee population of 200 having branches in big cities like Mumbai, Thane, Nasik, Nagpur, Aurangabad, Madras, Delhi, Calcutta, Jaipur, Patna, Ludhiyana, Ranchi, Hyderabad, Vadodra, Ajmer, Trivendrum and major cities. Each branch has separate counters for rail, air and bus-cars reservations. The agency is known for its best, quick and excellent service. Over the years, it has built up good reputation and has carved out a niche for itself in travel business. People were entrusting the agency due to guaranteed service. Customers are very happy and satisfied with the service of this agency. In recent years, the head office in Delhi is finding it increasingly difficult to monitor the information especially on air tickets received from other centres through manual operations. To avoid delay and inconvenience to customers and to improve accounting operation, the Agency is seriously thinking of introducing computers on a gradual basis, with the intention to render the prompt service to the customers. Now, however, this move of introducing computers is resisted by majority of the employees working in various centres vehemently, fearing retrenchment. It is observed the employees form union at local units and thinking to have central union also. Inspite of repeated requests from the management with assurance of maintaining the strength of employees, they are planning to go on strike.

Read the situation in this case and answer the questions that follow

1. How to resolve the impasee ?
2. Discuss the reasons for employee resistance to change in the light of the information provided above.
3. Suggest an appropriate changes strategy that satisfy the expectations of both management and workers.
4. Do you agree that only resistance to change is only due to retrenchment fear ? If yes, how and if no, why ? Discuss.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 9

CHANDRAKANTA AND SUPERVISOR (GRIEVANCE)

When Chandrakanta first brought his complaint to the attention of his shop supervisor, Jim Taylar Shetty, he felt fairly satisfied. "Jim Tayler Shetty listened to what I had to say about why I should have gotten overtime rather than the man from the second shift. "Chandrakanta told his benchmate. "I cannot see how Jim Shetty can handle it in any other way than to give me what is coming to me." This conversation took place the day after Chandrakanta had spoken to his supervisor.

Three days later when Chandrakanta saw that his pay check did not reflect and additional money, he spoke to Jim Shetty again. "What happened to that overtime pay I spoke to you about ? I figured that so long as I did not hear from you that the company had approved my request. How long I have to wait for my money ?"

"Well, now" said Jim Shetty. "I did not promise you that you would get the money. All I said was that I would look into it. But I have been so busy lately that it clean slipped my mind. Tell you what I will go up to the payroll this afternoon for sure and find out what can be done."

That afternoon Jim Shetty checked the matter with the Personnel Manager and with his boss. They both listened to the facts. Then they showed Jim Shetty that the similar case had been settled at a third step grievance with the union with no overtime pay for the employee concerned.

Jim Shetty did not look forward to telling Chandrakanta that he would not get the overtime, so for a couple of days he avoided going into Chandrakanta's part of the shop. The following payday, however, Chandrakanta went up to Jim Shetty's desk. "I still did not get the overtime pay. Are you going to do something about it or are not you ?"

Jim Shetty, then told Chandrakanta that he was not entitled to the overtime pay. Chandrakanta replied "we will see about that. I spoke to my shop steward and he has told me to file a written grievence". He said that, the only way to get any action around here. And I can already see that he is right.

Read the above case and answer the questions that follow

1. What is the exact problem in this case ?
2. Do you think the written grievance could have been avoided ? How ?
3. How Jim Shetty could have improved his handling of this complaint ?
4. If Chandrakanta really had no case, will it make any difference in the long run whether he filed a grievance or not ? Why ?
5. If you were Chandrakanta, what would you think of Jim Shetty as a supervisor ?

CASE 10

SALES INCENTIVES AT PRIYA PHARMACEUTICALS

Mr. Ram Mukherjee, the Regional Sales Manager for Tamil Nadu division of Priya Pharmaceuticals Co. Ltd., for the last six years, has four area managers reporting to him. Mukherjee was promoted and transferred from Delhi to Madras at a time when the company's sales in the South were continually falling. Mr. Atulya Ghosh, the President of Priya

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by KS-MIE 2025 Grant

Gandhi Memorial College Of Education Bantalab Jammu

Pharmaceuticals, was impressed with Mukherjee's performance in Delhi and his innovative ways of motivating the salesforce. Mr. Ghosh thought the South would get a 'shot in the arm' if Mukherjee took charge of the South as the Regional Manager. Promotion and transfer orders were issued and gladly accepted by Mukherjee.

Mr. Mukherjee made many changes in the organisation of the Southern region and introduced various types of incentives for the area offices, the salesforce, and for various cadres of field personnel. For instance, the top three salespersons and the top three field supervisors who had the greatest volume of sales generated by the field force under them, and the three area offices that had the highest sales record received special recognition. Awards and rewards were in the form of cash prizes, radios, T.V. sets, paid vacation for a week to Kashmir, plaques inscribed with names, trophies, certificates of merit, and the like, suited to the level of performance. The top three performers from each region and local office, and the top three from among the area supervisors, field supervisors, and sales persons were recognised and rewarded at the end of the year in a public ceremony held at Madras where the recipients of the awards were flown in with all transportation costs paid.

Within two years of Mukherjee's taking charge of the Tamil Nadu region, here were dramatic changes in the sales figures. The last two years have been so good that Tamil Nadu is among the first three top performers in the whole country - an impressive record considering the state of affairs just six years ago ! However, there was one fly in the ointment. A few salesmen and field supervisors working in the rural areas of Pennathur, Sumaithangi, Kotur and such other places were frustrated and discouraged. The harder they tried, the less they seemed to sell. Their areas were economically depressed and the village population just did not have the money to buy medicines, even though the children and older formers were constantly falling sick. The municipal doctors and the corporation dispensaries had limited funds and their placement of orders for the high quality drugs of the company was very low. These facts were brought to the attention of the regional office by the area managers, but it was obvious that nothing was being done. Somebody was perhaps sitting on the matter ! The salesmen and field supervisors in the rural areas were constantly complaining and seemed disgruntled. The area managers were concerned about this, but did not know what else to do to resolve the matter.

THE REJECTED GOOD OFFER

Ten days ago, during the Regional Managers' Conference at Delhi, Mr. Ghosh had invited Mr. Mukherjee to see him in his office on Friday, the last day of the conference. After the usual greetings, Ghosh informed Mukherjee that he was considering him for the Vice-President's position, an unexpected vacancy that will soon arise when Dr. Rajiv Bhat prematurely retires in August for reasons of health. Ghosh was certain that Mukherjee would jump at the offer. But as things turned out, Mukherjee's reaction to the proposal was far from enthusiastic. Mukherjee hemmed and hawed and after a few minutes replied, "I am very honoured that you have considered me for this position, Mr. Ghosh. I am extremely gratified that you have such a high opinion of my abilities and professional skills, but I think this is not a good time for me to move from Madras. My children are finally settling in the school and are starting to make good progress. My wife and I have made many friends in the area and enjoy the beauty, quiet, and peace of the South. Moreover, I am now active in a number of voluntary organisations such as the Social Service Institute, the Youth Organisation, and the Fine Arts Academy, and these

CC-0 Agamnigam Digital Preservation Foundation, Chandigarh. Funding by IKS-MoE-2026 Grant

Gandhi Memorial College of Education Bantalab Jammu

are not only enjoyable activities, but are very beneficial for the publicity of our company also. I guess I am not ready for a transfer just yet, even if it is on promotion. I can, of course, use more money, but I want my family - especially my three children to experience some stability in their lives. Three years from now, I am sure I would be itching for a change. I hope that at that time, when a opportunity arises, you will still consider me for promotion. I hope you understand why I am not in a position to accept your present kind offer, Mr. Ghosh."

Mr. Ghosh simply smiled and said, "Don't make up your mind just yet Mukherjee, take time to think about it. Talk this over with your wife also, and we will have another talk when I visit Madras next month."

Frankly, Ghosh was rather upset at Mukherjee's reply, "I thought he had more ambition and sense than that, the fool !" Ghosh muttered to himself.

Required

1. Analyse the case in Part I.
2. For Part II, analyse the reasons for Mukherjee's reactions and Ghosh's disappointments.

***N. B.** : Make sure you use the concepts and theories which you have studied.*

CASE 11

SHANMUGAM AND THE STORES DEPARTMENT[4]

Shanmugam is a rather grim and reserved 19-years old individual. He was the first born in a family of seven children. His father who left home one day, nine years ago, has not since been seen. Shanmugam's only recollection of his father was his coming home in the evenings heavily drunk and beating up his mother and any child who was around. Shanmugam remembers the days when he took his brothers and sisters away through the back door as he sighted his father at the front door.

Shanmugam's mother had her own problems dealing with the children. She was always irritable and unhappy and verbally abused her children and frequently recounted to them the faults of their father. She often told the children they will come to no good and her greetings to Shanmugam as he was growing up was."You will be no better than your father - you are all a pack of useless slobs.". She, however, worked hard all day long as a cook in the Tahsildar's home and somehow managed to feed the children with some rice and 'kanji'. When the children were fast asleep, huddled as they were in one room, she would sometimes caress their cheek and say, "Oh you poor children, you certainly deserved a better mother, and a happy home." Shanmugam has heard this several times but always pretended to be asleep.

Shanmugam went to the Municipal School and had passed fourth standard but he could not stay in school because he often got into trouble with the other children. He got into scrapes with them whenever he was not playing truant and loafing around the bazaar. He had been suspected on three different occasions to have stolen a few rupees from the vegetable and fruit vendors in the market when they were busy talking to the customers or gone for a few seconds away from their stall.

---

4 Based on the "Research Department and Johny Rocco" exercise developed by IKS-MoE-2025-Grant.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by the University of Texas for class use.

Gandhi Memorial College Of Education Banfalab,Jammu

One day, when Shanmugam was 17 or so, he saved a child that had accidentally fallen into a lake, from drowning, and the father of the rescued child, Mr. Ramdas, feeling grateful to Shanmugam, took him to his home and made a lot of enquiries as to Shanmugam's background and what he was doing. When Ramdas learnt that Shanmugam had no father, had six brothers and sisters, and no job, he took it upon himself to do something for Shanmugam. He requested his brother who was a partner in a small manufacturing firm to give Shanmugam a job. Mr. Ramdas was actually looking for some help and hence hired Shanmugam in his firm to help the supervisor of his stores department to take stock of incoming materials and counting a job. Mr. Ramdas was actually looking for some help and hence hired Shanmugam the number of finished producted stored as inventory. For the first time in his life Shanmugam experienced happiness knowing that somebody had taken an interest in him and had done something for him.

On the whole, Shanmugam's supervisor found Shanmugam's performance to be satisfactory. However, from time to time, there were lapses, and his behaviour was not quite appropriate or acceptable. Last week, for instance, he had not stacked the incoming raw materials and as a result of that there was not room enough for the stock clerk to step inside and take the inventory. When questioned, Shanmugam's reply could have easily been construed as bordering on impertinence. Last month, Shanmugam was also suspected of having destroyed some equipment that was sent to the Stock room. However, while the investigation was going on, it became evident that the destruction was not want on but quite accidental.

These and other similar instances cause concern for the supervisor, but he sincerely wants to help Shanmugam to take on more responsibility and prove his usefulness as the stock room helper. The supervisor is now seeking your advice on how best to deal with Shanmugam, who shows unmistakable signs of long years of social and physical deprivation.

Attached is a list of 11 approaches to working with Shanmugam. Your job now is to make recommendations on the approach to be taken by the superintendent by ranking the listed items after taking all situational factors into consideration. Place a 1 before the most appropriate approach, 2 against the next most appropriate approach, and so on till you have have numbered the least appropriate approach as 11.

Individual Work Sheet

- A. Give Shanmugum a warning that at the next sign of trouble he will be fired.
- B. Do nothing as it is unclear that Shanmugam has really done anything wrong.
- C. Tell Shanmugam the do's and dont's with immediate strong punishment following misbehaviour.
- D. Give Shanmugam a great deal of warmth and personal attention overlooking his current behaviours so that he feels secure and realises he can depend on others.
- E. Fire Shanmugam. It is not worth spending the time and effort on someone in such a low level position.
- F. Talk over the problem with Shanmugam in an understanding manner so that he can learn to seek help from others in solving his problems.
- G Given Shanmugam a well-structured schedule of daily activities with immediate and unpleasant consequences for not adhering to the schedule.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

- H. Do nothing now but watch him carefully and provide immediate punishment for future misbehaviours.
- I. Treat Shanmugam the same everyone else but provide an orderly routine so he can learn to stand on his own two feet.
- J. Call Shanmugam in and logically discuss the problem with him and ask what you can do to help him ?
- K. Do nothing now but reward him the next time he does something good.

Now get into your groups and arrive at a consensus on the ranking, giving reasons.

CASE 12

THE RUEFUL RESULTS OF RECORDS ROOM RELOCATION[5] (GROUP DYNAMICS)

The Records Room of the Exchange Control Department of the Renuka Bank is a work unit manned by ten record clerks and the supervisor, Ms. Janaki. Mr. Roy is the manager incharge of the Records Room (RR), a responsibility which is rather insignificant compared to his other duties. The job allocated to the RR is to store the files sent by the various sections as and when customers' applications are "disposed off" and the "case is treated as closed," and retrieving files as and when needed by the sections. Centralising the records maintenance function and having the records at the farthest end of the ground floor of the bank had helped to maintain a pleasant and neat appearance for the customers of the bank and improve customer service since the sections can get the files from the RR without wasting their time searching for these in their section cabinets.

Usually, requests, for old files were sent by the sections everyday at 10.00 a.m. and 3.00 p.m. In case of urgent need, the clerks from the sections came personally to request the files which are always made available to them without delay. Ms. Janaki was responsible for the paper work in regard to the movement of the files, and the work was invariably carried out smoothly and efficiently by the RR Staff.

The Record Room was spacious, had walls on three sides and a strong steel wire mesh on the fourth side facing the front side of the hall. A door gave access to the front; requests for files and removing and returning of the files were transacted through this door. The east side of the wall had a door which opened to the street, of the building, and was always kept bolted from within, unless one of the staff wanted to go out or come in from the street side. Access to the RR was limited, and a messenger boy always stood guard at the front entrance door. Unless he allowed the other messenger boys and clerks with 'request challans' to enter, nobody could come in. This tight safeguard was necessary so that people could not come in any time they wanted and remove the files on their own.

Record cabinets and bureaus were neatly organised in the room and the record clerks had a very systematic and methodical procedure for storing the files and orders received daily. All files returned during the day were shelved temporarily in specially designed cabinets which were placed in line with the steel mesh in such a way that those from outside the RR could not see people sitting inside.

---

5 The case has been modelled on *"The Case of the Changing Cage"* by Richards C.E. and Dobyns, H.F. 1957.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025 Grant

The ten record clerks worked well together and helped each other whenever there was a "flood of requests" for files. At such times, they often decided to stay 30 minutes to an hour late in the evening or came early in the morning to organise the returned files. They took great pride in efficiently servicing the sections during the day without delays. On some days the crew would not have a sufficient amount of work, and they would spend their time chatting, hitting each other with clips and rubber bands, or solving cross-word puzzles. Members of the group also had the habit of slipping through the side door, two at a time to have a cup of coffee or eat some snacks in the restaurant across the street which was within three minutes' walking distance. They would invariably ask Ms. Janaki if she wanted anything and would get her some tiffin if she felt hungry. People outside the RR could not see exactly what was going on in the RR, but many envied the group for being happy and friendly and working together in a 'nice atmosphere.'

In June 1983, the bank acquired IBM computers to speed up its ever expanding operations and reduce the combersome and tedius manual record keeping procedures. Since no space was initially planned for the computers, the Premises Department of the bank decided to house the computer facilities in the RR area, and move the Record Room to the third floor of the building, where the manager Mr. Roy was also seated. The decision to move was communicated to the RR staff, and the shifting was done during the weakend. On Monday, when the RR crew reported for work, they found that the third floor office was smaller, and rectangular in shape in contrast to the big square room they had on the first floor. This facility also had the steel mesh, but the cupboards were organised all along the three walls, with the mesh side completely open.

The RR was thus completely exposed to the other sections on the floor, and the manager, Mr. Roy, was sitting in an area right outside the RR. Some of the specially designed cabinets previously used for temporarily storing the returned files were retained by the Computer Division for their use, and thus, the RR also ran short of cabinet space. Ms. Janaki tried to get the cabinets returned and stacked against the steel mesh as before, but the director of Computer Lab "requested" her to put up with the inconvenience till the new almirahs ordered for the lab were received.

The Record Clerks felt "exposed to the entire world" and felt unhappy that they were no longer able to freely talk to each other, solve crossword puzzles, or operate as before without attracting attention from those sitting outside. To make matters worse, Mr. Roy frequently instructed Janaki to make sure that the returned files were stored neatly and not thrown 'all over the place', making the place look untidy and shabby. Her complaints regarding want of cabinets were largely ignored. The custom of the clerks sneaking out for coffee and snacks also ran into trouble. Clerks in other sections who observed the RR crew taking time out for coffee, also started doing the same, much to the chagrin of their managers who complained to Mr. Roy. Mr. Roy told Ms. Janaki in no uncertain terms that she should exercise more control over her staff or run the risk of not being considered for promotion. Thus, the unique privileges the RR group once enjoyed were all now put to an end. Ms. Janaki who had always got along well with her staff who rendered efficient service to the sections, was not getting nervous, and full of anxiety about her future. Her stress was at its highest when Mr. Roy called her one day and said that he observed her clerks throwing clips at each other and if she was not capable of holding them under control, she should either resign or ask for a transfer.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

The RR clerks who were found of Ms. Janaki and did not want to cause her any trouble, thereafter pretended to be quiet and hardworking whenever they saw Mr. Roy come out of his cabin, and hid all the returned files in a corner where nobody could notice them. They continued to talk, throw clips, and solve crossword puzzles when nobody was observing them. Their latest game was to select the most appropriate nickname for Roy. They referred to him as W^2 : short form for 'Wicked Witch.'

Ms. Janaki just found, to her utter dismay, that about 300 returned files were laying in a hidden corner of the room unattended, and the requisition slips which were hitherto promptly serviced, now lay piling up inside the clerks' desk drawers !

Analyse the following :

1. What were the required and emergent behaviour of the Records Room group in the old and the new setting ? What were the factors influencing the emergent behaviours in both situations ? What were the consequences of the emergent behaviours in each case ?
2. What were the norms of the group before and after the shift ? How did these norms affect group cohesion and performance ?
3. Discuss fully the effectiveness of the group before and after the change using the input-throughput-output model discussed in the chapter.
4. If you were Mr. Roy, what would you now do ?

CASE 13

THE GOLDEN TECHNOLOGY GROUP[6] (RELATIONS BETWEEN MEMBERS)

PART – 1 :

The Golden Technology Group, a sub unit of the computer systems design department, consisted of 15 Ph. Ds. who were studying appropriateness of certain microcomputer chips for different kinds of computers designed and assembled in the department. The computer systems design department was itself a part of the huge Ramesh Avant-Garde Computers Co. in Trichy. The comptuer system design department was set up to design personal and micro-computers for home and office use and mainframe computers for organisational installation. This department worked closely with the assembling, marketing, sales and finance departments, of the company. The Golden Technology Group (GTG), which primarily researched the actual chips and their cost effectiveness in various programme design, got its nickname because the President, Mr. Ramesh, once mentioned in the staff meeting that he expected his technology group to be inventive and shower 'gold' into the company's offers.

The computer systems design department employed about 250 technical people. It had a well-defined and well-organised structure with formal channels of information and communication flow. The managers and supervisors in the department usually held doctoral degrees in their areas of speciality. They also maintained fairly tight control over the departmental activities. The department was highly respected in the company and all employees working in the research unit were somewhat status conscious.

---

6 Based on the Thermophysics Research Group Case.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Rules and regulations as to what employees could or could not do were defined by top management. Starting and quitting time, and lunch breaks, were clearly specified and closely followed. In the design department, if employees worked late, it was considered to be a sign of inefficiency. People worked diligently and silently during work hours and left at closing time.

Dr. Suresh Mehta was the newly appointed director of the GTG. He was an energetic individual under 35 years of age. Mehta had previously worked at a computer research facility where he was considered as 'Theory Y manager' who believed in the abilities of his people and gave them the freedom to achieve result in their own way without his interference. Ramesh, the president of Ramesh Avant-Garde Computers was very impressed with Mehta's credentials and achievements and lured him to join his company.

Soon after he joined, Mehta divided his group into three informal sub-sections. The demand analysis section worked closely with the other departments of the company, responding to their concerns regarding special materials, production difficulties, and techniques for handling new designs. The experimental section, interacted extensively with the demand analysis section and conducted experiments to evaluate the new designs as to how they addressed the needs of the production and other departments. The data section worked with both the demand analysis and experimental sections and dealt with complex programming, data reduction, and so on. Because of the expanded laboratory facilities the GTG was housed in a building separate from the computers systems design department.

The average age of employees in the GTG was around 33, and most had an advanced degree. Many had a good knowledge of the whole organisation since they had worked in the other units from where they were drawn to the GTG. Mr. Mehta changed quite a few things soon after he took over. For one, he felt that the place was "too quiet." He wanted the people in the department to interact with each other and exchange ideas as regards individual responsibility. He told his people, "When I assign a job to you, I don't expect to talk about it till you have completed it. I want this unit to function as autonomously as possible. Forget all red tape and go ahead and do whatever you need to do to get the job done. I will answer to management if they consider that something you did required their prior approval."

Mehta also indicated to his group that he did not care when people came or when they left so long as the projects got completed on time. People in GTG actually came and left whenever they chose and also took their own lunch time. Sometimes, lights were seen past 12.00 midnight in the building ! One thing that Dr. Mehta was keen about was that members disseminate all their findings to other departments and he encouraged individuals to put their names above his while distributing memos or letters that detailed the findings.

Predictions

Based on the above case, make predictions regarding the following issues :

1. Will the quality of work produced by the GTG group under Dr. Mehta be high, medium, or low ? Give reasons for your answer.
2. Will the quantity of work be now high, medium, or low ? Give reasons for your answer.
3. Will the level of social activity be a great deal, moderate, or very little in the GTG ? Why ?
4. Will relations between the members of GTG and the other units of the computer systems design department be cordial, neutral, or strained ? Explain your answer.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

5. Will relations between the members of GTG and the rest of the company be fragmented, in sub-group units, or free-flowing ? Explain the reasons for your answer.
6. Will relations between members of the GTG and higher management be cordial, neutral, or strained ?
7. Will individual satisfaction among members of GTG be high, medium or low ? Why ?
8. Will opportunities for professional development in GTG be high, medium, or low ? Why ?

First, respond to the above questions individually and then get into your groups and discuss the isssues for about 15 minutes to reach consensus.

PART – 2 :

The GTG became well known within the company for the quality of information produced, the rapidity of response to requests for help or clarification, and for its many research monographs. The GTG employees also became well known and highly talked about for their activities and behaviours. The demand analysis, data, and experimental sections were famous for their "jokes at each other." A number of people would gather in the lab amidst operating equipment for story telling and friendly banter. It was not unusual to find people from other departments joining these activities in the lab.

The entire GTG lunched together outside, once every two or three weeks; any excuse such as birthdays, anniversaries, and celebrating 'discoveries' was sufficient for the group to lunch out in the nearby restaurant or have coffee in the corner shop. Week-end parties or picnics were also popular with the group. Frequently, people from other departments joined the picnics and brought along their families as well.

The GTG members put in a lot of work and many came around 6.00 p.m. and worked till early morning 1.00 or 2.00 a.m. Dr. Mehta's superior sometimes asked Mehta why his group was so loud and how he could tolerate so much noise and bantering. He once even said that Mehta's 'Theory Y' management will land him in a lot of trouble and pain, sooner or later. He advised Mehta to organise and control his group. Dr. Mehta's usual reply during such conversations was, "Look at my group's productivity and compare it with the others." This invariably ended the conversation.

CASE 14

CHILDREN'S SUMMER CAMP [7]

The Age Abbas Ali (AAA) School on the outskirts of Mumbai wanted to try innovative recreational and educational methods for children and had started Summer camps as one way of enlarging the scope of learning for both children and adults. However, there were some staff problems that seemed to persist from time to time during the camping trips. During this particular summer camp, one of the counsellors, Suchinder Seth, was not getting on well with the four other camp counsellors and things reached a crisis when, frustrated by the lack of respect and recognition that he thought was needed to run a good evening program for the children, Suchinder staged a dramatic exit from the playground. The camping children and the rest of the counsellors were left standing in the field, not knowing how to handle the situation. Mr. Govind Patel, the Head of Camping unit had to act at once to bring things under control.

---

7 Adapted from Camp Zapps 73

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The background of the situation was as follows.

The Summer camp program of the AAA School was an idea conceived by the School Board Members to :

1. Provide each child with a real fun experience while inculcating a team spirit. For this purpose, children of the same age and gender were put together in groups, to room, play with, and experience new learning opportunities without having to real textbooks as in the classroom setting.

2. Expose each child to outdoor camping experiences and challenges and start building leadership abilities in children by making them responsible for their own rooms and personal care under the very loose supervision of a camp counsellor.

3. Develop children's natural talents in music, art, painting, dancing, and the like in a relaxed, carefree vacation atmosphere.

About 200 children avail of the opportunities offered through this Program each summer. They camp for a maximum period of three weeks in an interesting camping site chosen by the school for its outdoor opportunities and natural beauty. Upon arrival at the camp, the campers are divided into small groups of about 10 children each, according to their ages and gender. Each unit is then headed by a unit head (UH). An area Counsellor (AC) then supervisors about 4 unit heads. The entire camp is under the head of the Camping Unit who is called the Camping Director (CD). Each AC is responsible for planning, organising, and directing the activities of the 5 units under his or her jurisdiction. Once a week, one big event is usually held in the evening for the entire 200 campers - an event for which one of the ACs takes charge and the others help in co-ordinating the event and helping with the activities of the evening.

Another feature of the camp activities is that the ACs will try to mingle the children from several units for an hour or two each day so that the children have opportunities to interact with as many of their peers as possibe and will also be interacting with others from different units. This, the ACs, tries to accomplish by offering different 'hobby' activities led by the ACs in which the UHs helped. For instance, one AC will be directing all campers interested in swimming, another in playing games, a third in story-telling, a fourth in painting, a fifth in singing hymns, or whatever else the ACs may be proficient in.

In preparation for this summer's activities, the counsellor's arrived in Mahableshwar three days earlier than the campers so that they could have some time to plan the summer agenda. Suchinder Seth was a new teacher who had just joined the school a month ago while the other four teachers (who were to be counsellors during this camp) had been with the school for the past six years or more. In fact, three of the four - Sunita Iyer, Charulata Karnik, and Satish Mishra - had been on the Committee which originally had decided to introduce the Summer Camping Programms as innovative educational extensions for children. Yeshwant Mhatre who loved children wanted to join this summer's camp so as to be close to them for three full weeks. Dr. Govind patel, this year's Director of the Camp was the Vice-Principal of the School.

For Seth and Mhatre this pre-camping session was more or less like an orientation programme. The group of counsellors and Dr. Patel decided to take a hike on the second day of their arrival at Mahableshwar and discuss the interest of each counsellors so that group activities can be organised around interests. During the hike, each counsellor carried a backpack containing such items as eatables, cool drinks, playing cards and other such things

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

as a few cooking utensils, and some rice and dal, so that they could cook some food if they happened to decide to return to the camping grounds rather late at night. In their enthusiasm, one of them decided to carry a water cooler containing ice-cold water so that in the heat of the day they could quench their thirst with water if they found that the cold drinks did not do the job.

As they hiked, Mishra and Mhatre were teasing the women for their slow gait and dainty walk and the women were teasing them in turn about their overweight and breathelessness as they hiked up the hills. Patel was listening to all the humourous bantering while Seth walked ahead of all the others not getting involved in the conversation and clearly out of hearing distance. Every once in a while he would turn back, campaign that the others were too slow that they would never reach their destination at the current pace of walking. At one stage, when they passed by a brook, Seth simply took off all his clothes but his underwear and started swimming in the shallow water challenging the others to join him. The others were simply astonished that he would behave like a child and ignored him as they walked along. But Seth caught up with them, and placing the water cooler on the ground complained that he had been carrying the heaviest weight and it was time for someone else to carry it. So saying he just walked ahead and was soon far ahead of the others carrying nothing but his own weight. The group was stunned by his behaviour, and had to redistribute what they carried so that the men carried the heavier load and the women were not overtaxed. Seth's action angered them all, but they were sure that he would soon regret his impulsive act and come and help them out, but that never happened. Ultimately, when they all reached the end of the hike trial and sat down to have a nibble at the snacks they had brought, Seth expected the women teachers to serve the men, which further angered and irritated the women counsellors and they just refused to mother him.

After the snacks, when all the others sat in a circle to discuss the agenda for the compers and how each would contribute to the events that would take palce, Seth just lay down under the tree and said he would join the discussions after practising 'shavasana' (relaxation in the deadman's pose) for about half an hour. Not wanting to create further tensions among the group members drew up an agenda for the three week's activities. So far as interest or hobby groups were concerned, Sunita Iyer said that she would lead a group which would be interested in singing Hindi songs, Charu Karnik indicated that she would guide a group interested in painting the beautiful hills and the 'karati', and Mhatre was going to teach young children how to swim. When Seth joined the group as these discussions were going on, he said that he was interested in leading a group interested in 'yoga'. He seemed to get into the spirit of the discussions and though the other members were not particularly interested in what he had to say, Patel encouraged him to come up with his ideas.

On the third day, the counsellors were trying to get organised for receiving the children and assigning them to different units giving each unit a 'house name.' The next day when the children, arrived everything went reasonably smoothly. As the children were asked to form into special groups so as to be identified with their interests among music, swimming, painting, karati, and yoga, most of the children opted for karati, music, swimming and painting and not one child enlisted for Yoga session. Dr. Patel actually extolled the virtues of yoga to the children who were all basically under 14 years of age, but even so none indicated any interest. This infuriated Seth who took it as a personal slight and he withdrew himself from most of the activities and further planning. Actually, when counsellors' meetings were held early in the mornings, he was invariably late and offering the excuse that he had overslept.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In an effort to get him involved in the Camp activities, Patel asked Seth to be incharge of the second week's evening activity when all the 200 campers will meet to experience a common fun event. This enthused Seth and though the other counsellors volunteered to help him in any way that he wanted, he did not seek their ideas or assistance. The day before the event, Patel asked about the next day's plans, and all that Seth replied was that everything was under control. When the women counsellors asked Seth how they could help he responded by saying that all that they needed to do was to show up for the event. After dinner, everyone met at the grounds at 7.00 p.m. on the day of the much looked for event.

Each team assembled at its usually allotted space. When Seth arrived he just went from team to team trying to explain the evening's activities. None of the counsellors wanted to suggest a better way of disseminating information to the campers since they were themselves unaware of what was going on. Mhatre, however, made some degrogatory remark about how crazily the event was being handled, which was overheard by Seth. Seth at once dropped the pieces of paper and the pencils he was carrying in his hand and yelled at the counsellors that if they knew so much about how to organise things, they should take over and run the show. He then made his way to his cabin pushing away the children who surrounded him. It was Patel's turn to be surprised at the turn of events and he had to decide what to do, and that too, quickly !

CASE 15

THE NATRAJ METAL PRODUCTS COMPANY[8]

The Natraj Metal Products Company (hereinafter referred to as the Natraj), has its manufacturing plant at Arani and employs about 500 workers. It produces a variety of metal products such as brass knobs, steel frames, collapsible iron gates, chromium handles and so on. Orders for these are placed by building contractors in and around Madras but the volume of orders fluctuates, with the rainy season being the slowest period. The company is reputed for quality products delivered in time and at competitive prices.

The Production plant has a Tool and Die department, the Stamping department, the Plating department, and the Paint Department. The Production Control, Maintenance, and Receiving and Shipping departments are also under the Production Manager, Mr. Ramanujam who has just been transferred a month ago from the Avadi plant to the Arani plant.

Workers in the tool and die department are highly trained craftsmen. Because of their skills they are paid much higher wages than those in the plating and paint departments whose workers are not so highly skilled. Many of the workers in the plating and paint departments have been with Natraj for several years. Those in the stamping department are the least skilled and lowest paid. Turnover rates in this department are also high.

The plating department is located at the far east side of the plant and 40 men work in the department, plating or oxidising the metal plates or making parts for paint applications to be done at another end of the plant. The men work in four different aisles in the department, each aisle placed under a supervisor. The activities that take place in these aisles comprise :

1. Acid dipping, where parts are manually immersed and treated in acid solution so that they could be etched ;

8 Adapted from The Slade Company Case prepared by P.R. Lawrence and John A. Seiler, Harward, Business School.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Barrel tumbling, where parts are smoothed by being loaded into drums containing caustic or corrosive solutions ; and
3. Plating where parts are loaded on racks and immersed by hand through the plating sequence. Cycle times, chemical formulas, composition of abrasive mixtures and chemical formulas differ depending on the quality of plating needed and the metal used.

In aisle 1, acid dipping for high quality painting is undertaken and men here work closely with men in aisle 3 who are engaged in high-quality tumbling work. Workers in aisle 2 tumble items of regular quality and sometimes work on oxidation dipping. Men in aisle 4 do tumbling work with respect to certain special products only. The working supervisors for aisles 1 to 4 are Mr. Subramaniam, Mr. Krishnan, Mr. Narayanan, and Mr. Swaminathan, respectively. The working conditions in different parts of the department vary considerably. That part of plating department containing the tumbling barrels and plating machines is constantly wash with cold water, steaming acid, and caustic soda and men working here have to wear special boots and gloves in the scorching month of May as in the cold month of January. The rest of the area is dry and relatively more comfortable to work in.

I sought permission from the President of the company, Mr. Suresh Srivastava to study the plating department in partial fulfillment of the requirements of my independent study on Industrial Engineering under Dr. Sitaram. All the information detailed below has been gathered by me either through direct, close, personal observation or from talking to the people in the aisles.

Members in aisle 1 were very friendly with each other and frequently helped one another in getting the jobs completed on time. The 'Subramaniam group' as they were frequently referred to, worked overtime whenever necessary to get rush orders completed and always cooperated as a team. Members in aisle 2, under the supervision of Mr. Krishnan operated in a different style. Mr. Krishnan was a nephew of the President and felt he could not be touched by anybody including the Production Manager. He came late, left early, and all but one of his workmen were indifferent to their jobs. Krishnan hardly trained anybody and the group never worked overtime. Aisle 3, had a different mode of operation. The individuals there wanted to be like the Subramaniam group and under the direction of Mr. Narayanan learnt how to do a good job, though they did not enjoy the same status that the Subramaniam group did in the Plating Department. The two groups, however, got along well together and often went out for picnics on a Sunday or holiday. Members of aisle 4 kept to themselves and though Mr. Swaminathan himself was a very capable young man, he took neither the time nor the trouble to teach his constantly changing workers how to do the best possible job. No sooner would he train a man than he would quit. So Swaminathan did most of the rush jobs himself using whoever was around to help him.

The working hours for the workmen were from 7.00 a.m. to 5.00 p.m. with half an hour's break each for lunch and afternooon snacks. The supervisors were expected to be at work from 9.00 in the morning till 5.00 p.m. with half hour break for lunch. There was a punch time card system and every worker had to daily punch the time he came and quit work. An interesting dynamic that operated in the plating department was that the Subramaniam group had an arragement by which the workmen took turns for one to come at 7.00 a.m. and punch in the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025and

Gandhi Memorial College Of Education Bantalab Jammu

time cards for all the other workmen in the aisle. Mr Subramaniam was aware of what was going on but did not bother about it. His reason for ignoring the malpractice was that the worker were being paid much lower wages than the industry average and thus he felt they deserved to work shorter hours. According to Subramaniam, they were the best workers and would give anything to get the job done, including their time and energy. They always met deadlines and certainly deserved some time off. Subramaniam also proudly said, "No one can do a better and more professional job than my crew !"

Most of what Mr. Subramaniam said was true and I myself have seen the men site late and complete the job when rush orders suddenly poured in. They also never seemed to be satisfied with their work unless everything met their standards of near perfection. When I asked Subramaniam whether it would not be better workers did other jobs during their off-time and earned good wages and still showed interest and pride in their plating work. If they were unionised, they might get better wages but would also tend to get lazy, and become more indifferent to their work at Natraj. According to Mr. Subramaniam, pride in work and not money was the motivator.

When I interviewed Mr. Krishnan, he talked mostly about things in general and seemed totally indifferent to what was going on in his aisle. During the course of our conversation he remarked. "I have spent several years here and know that no matter how hard one works, there is no place one can go further up here at Natraj. I do what I think is a fair day's work and take it easy. Those who work hard hoping they will climb up the ladder in this organisation are simply fools".

Krishnan's men also engaged in the same type of time punching tactics that Subraminam's did but, so far as I could tell, Krishnan did not seem to be aware of what was going on. Nobody discussed the matter with Krishnan since supervisors in the other aisles seemed to have scant respect for him and totally disregarded him. It was no wonder then that Krishnan felt isolated and showed his aggresssiveness in many ways. He shouted at his men when work did not get done, but despite the lower standards of performance of his group, he never got into trouble with the higher-ups for either taking more time to get the job done or not performing as high a quality as the other groups in the plating department did. To feel good about himself, Krishnan tried to write Tamil novels which were always rejected by book publishers. The more he failed, the more he walked into work drunk and the less he seemed to know what was going on in the plating department.

The Swaminathan group did not punch time cards for each other, but the workers were very unhappy that they were the only ones who were always at the workplace on time. Once they arrived, displeasure they hardly started any work till just five or ten minutes before Swaminathan came. Not wanting to incur their displeasure, and being acutely aware of the fact that the workers were grossly underpaid, Swaminathan did most of the work himself using the help of whoever was available.

Having talked to all the supervisors and to many of the men in each of the aisles, I next had a meeting with the new Production Manager, Mr. Ramanujan. Ramanujam asked me how I liked the experience of talking to the men in his department. He talked a lot about his experience in Avadi and during the course of the conversation I came to understand that Mr. Ramajunam was aware of the punch-out system in the plating department and was considering what action, if any, he should take.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

CASE 16

MR. KRISHNA RAO'S CONFUSION (MANAGEMENT OF CHANGE)

Mr. Krishna Rao was utterly baffled. He took over office four months ago and has since initiated several changes all of which are good. His main intentions in making the changes were that the office should look more professional and the employees should be facilitated to become productive without making them work too hard.

The office now indeed looks more spacious with the new layout, and in fact, his colleagues from the other departments who pass by, comment on how nice and professional the office looked ! Mr. Rao had put the secretaries' desks close to their bosses' cabins so that they did not have to walk up and down all the time. Previously, they were huddled together in the secretaries' pool, and whenever they had to take dictation - which was several time a day - they had to walk quite a bit. He also purchased new calculating machines for the department which are quick, efficient, and accurate, so that the assistants now do their calculations without making mistakes. In fact, he had just placed an order for high-speed computer which would take away the boredom and monotony of all the laborious human calculations and would be a boon to all. Actually, once the computer is installed, the managers will not be dependant on the lower level staff. And the computer manufacturer was going to offer free programming sessions for all those who wanted to attend them. Manuals will also be made available to all the staff. It was the best of all possible worlds for the entire department and Mr. Rao could not understand why the staff were not more enthusiastic and some actually seemed rather unhappy.

Discuss why the changes did not produce the desired results in this situation.

CASE 17

S.S. TRANSPORT COMPANY (BEHAVIOURAL PROCESSES)

According to the police records, on the 10th October 1995, bus No. 6956 belonging to S.S. Transport company was involved in an accident some twelve km. away from a remote village called Sitapur in the district of Hanumangadh. The accident injured none-an apparent collision against a huge banyan tree.

Upon arriving at the scene of the accident, the police were unable to locate the driver of the bus. The passengers - some of forty of them - were in a state of panic. All of them had got down from the bus and many of them were sitting under a nearby tree, some distance away from the bus, that stood still with its damaged front part. Children were crying and women were screaming, as they saw the police approaching them. The men were yelling loudly all at the same time. Nobody was able to state clearly as to what had happened or at what time exactly the accident had taken place. Estimates of when the accident had occured varied from half of an hour to three hours earlier.

Two days later, in S.S. Transport, the newly appointed general manager, Dinesh Joshi, was sitting at his large executive table looking at three different reports. One was the copy of the police report which detailed the extent of damage to the bus and the fact that the driver had abandoned the bus without telling the passengers where he was going or what they should be

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by MoE-2025 Grant

Gandhi Memorial College Of Education Bandalab Sandhu

doing. The regional traffic Inspector of S.S. Transport who was summoned to the scene four hours later also filed a report of his assessement of the damage. He said that Ramesh, the driver, whose record indicated that he had been a fairly safe driver for almost two decades, was involved in a couple of minor accidents in the past six months and ever time it turned out to be the fact that Ramesh was driving under the influence of alcohol. The RTI's report emphasized on the irresponsible behaviour of Ramesh as he left the spot of accident (something that the rules absolutely prohibited) and there was a strong suspicion that Ramesh was perhaps driving under the influence of alcohol.

The third report infront of Dinesh was the one filed by Ramesh himself. Ramesh stated that in an effort to avoid a stray dog on the road, he swerved the bus and accidentally hit the tree on the side of the road on 10th October 1992. As soon as the accident happened, he wanted to report the incident to the police and to his head office. He also wanted to seek assistance so that the passengers could be put in another bus and his bus towed away. But he did not want to alarm the passengers and hence got down from the bus, signalled to the passengers that he will be back, and walked in search of a nearby telephone to contact the police and his head office.

Unfortunately, even after the walking four or five miles, there was no telephone in sight, but he knew there definitely was one in the Tehsildars home a few miles away. Hence he walked further but on reaching the place he found that the house locked. Knowing that the passengers would be in a state of frenzy, he started to walk back to the bus, but on arriving at the spot he found neither the bus, nor the passengers. By this time, he was weary, and guessed that the police must have arrived at the spot, transported the passengers by another bus, and towed away the damaged bus. Since he was dead tired after all the walking and since his hours of duty were already over, he thought he would soothe his nerves with some toddy. That was the time when the policeman came into the hut and dragged him away. Ramesh said that he did not walk away from the scene of the accident but he had acted in the best interests of his passengers. He did not want them to panic and thought he would find a telephone within a mile or so. He tried to be dutiful in the only way he knew how, and had no other option but to do what he did !

Questions

1. What kinds of behavioural (perceptual) processes were operating in the three different reports ? Why are these perceptions different from each other ?
2. What additional information would you, as the manager of S.S. Transport, seek to clarify your own perception of the incident ?
3. Give the information provided above. what options does the General. Manager have in dealing with the driver for his behaviour after the accident ? With what OB consequences.
4. What would be your decision, if you were the General Manager ? Give reasons for your decision.

CASE 18

RAM, SHAM AND HARI (MOTIVATION MODELS – MASLOW AND HERZBERG)

After successfully completing the systematic study of management at a renowned institute, you are appointed in-charge of a small department and Ram, Sham and Hari are your three subordinates. The key of success of your department is to key these employees as motivated as possible. You have to proceed systematically and as a first step, you have prepared a brief profile on each of these three subordinaes.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Ram is the type of employee that its rather hard to figure out. He has a much higher than average absenteeism record. He enormously enjoys his family life and thinks that his wife and two children should be central to his life. Since his central interest in his family, the things that the Company can offer him do little to really inspire him. He sincerely feels that the job is simply a means of financing his family's basic needs and nothing more than that. Overall, Ram, does an adequate job and is very conscientious, but all attempts to get him to do more have failed. He has charm and is friendly. He is so far allowed to have his own way as long as he meets the minimum standards of performance.

Sham in many respects is just the opposite from Ram. Like Ram, he is a likable person but unlike Ram, Sham responds well to the company's rules and incentive schemes and has a high degree of personal loyalty to the company. The problem with Sham is that he will not do very much independently. He does well whatever work is assigned to him, but he neither very creative nor dependable when on his own. He is also shy, not given to assert himself enough when dealing with persons outside the department. All this hampers his performance to some degree, since he cannot easily sell himself and the department to other departments in the company, as also to the top management.

Hari, on the other hand, is a very assertive person. He will work for money and would readily change jobs for more money. He really works hard for the company, but expects the company also to work for him. In this present job, he would not mind working even sixty hours a week, if the money is there. Even though he has a family and also supports his mother, he left his last job. He has a forceful and dynamic personality. A manager at his last place of employment remarked that while Hari did perform an excellent job for the Company, he was so forceful and assertive that some of his colleagues were glad to see him quit the job. His former boss noted tht Hari just seemed to be pushing all the time. If it were not for more money, it was for better ring benefits. He never seemed to be satisfied.

Questions

1. Explain Ram, Sham and Hari's motivation in terms of the models of Maslow and Herzberg.
2. Using an appropriate process model, how will you describe the motivation of each of these subordinates ?
3. What type of 'locus of control' do you think guides each of these three employees in their present job ? How ?
4. Following the above profiles, describe how would you proceed further in your task of keeping them highly motivated ?

CASE 19

VENKAT PAWAR (INTER-PERSONAL PROCESSES)

Venkat Pawar reviewed the situation in his department. He has just about come to the conclusion that he would have to do something about Helen.

Venkat's group was responsible for assembling various units on two conveyors (for standard parts) and at four benches (for specialized parts). Although most of the jobs were performed by women, several complicated units were assembled at one of the benches (Bench No. 4) by two men, Chandran and Santosh. Parts for these units were assembled at one end of the bench by Helen. Chandran was the key man and was expected to keep Helen informed about which parts he and Santosh needed and how many. He also directed Santosh's work.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Helen was tall, forceful woman of 48. She had been in the department about ten years, having started at one of the conveyors. After having done most of the conveyors jobs, she was promoted to the manual assembly job, which was done at benches 1, 2 and 3. A few years later she was made a utility worker. In addition to assembling parts for Chandran and Santosh, she was expected to help out on both the conveyor and bench jobs when needed.

Soon after Venkat became supervisor of this group, he began to feel that as far as the job was concerned, Helen had ideas of her own. Whenever he told her how he would like her to do something, she would listen and say nothing. Then, as he saw it, she would proceed to do as she pleased. Venkat had talked to her about this and thought she was improving. However, things grew worse later. Eight months had elapsed since he had spoken to her.

Venkat believed the work ran fairly smoothly when either he or Chandran, the key man, were present. However, Chandran was loaned to another department for three hours every afternoon and when he was gone, the trouble usually began. Santosh complained to Venkat that Helen would pay no attention to him when he asked her to do something. Moreover, several women from the other benches complained to Venkat that no matter how much the work piled up, Helen would not lift a inger to help them. They said that this happened when neither Venkat nor Chandran as present. "She always says she is too busy," They told him. "Too busy, my eye ! She just thinks she is too good for this jobs. She won't 'lower' herself to do this work !"

One afternoon, after a two with Santosh, which had become almost a routine, Helen was quite upset. A friend across the aisle tried to pacify her, asking what all this noise was about ? Helen said, "You know, sometimes they expect an awful lot of a person around here. I don't know. I suppose if a person were the kind to try to boss everyone and take charge of a situation, he might deserve a slap in the face. You know it is. When you are at home, you have complete charge of everything and you get used to making all the decisions. I suppose I could easily carry that over and act the same way down here. But why should they talk to me like that ?"

"They tell me I should be ready to do any job in the department - from working at bench 4 to sweeping the floor. Huh ! Sweeping the floor ! Well they have not put it exactly that way, but they might as well do. I don't care. If they think I am going to reduce myself to that kind of work, they are nuts."

"My job is just to work on bench 4 and help Chandran. I would not mind helping out on the others enches if I had time to get my own work done, but a person that can't do it all. Chandran is my boss on that job he is the only who can give me instructions. I get so demand made every time Santosh tries to interrupt me and get me to work on something else right when I am in the middle of my own work. After all, he isn't my boss and I know the job just as well as he does."

Questions :

1. Draw a psychological profile of Helen as a person and as a worker.
2. Analyze and identify the inter-personal processes between Helen, Chandran and Santosh - at individual and also at group level. What do these process indicate organisationally ?
3. What options, Venkat - the supervisor, has to deal with in this situation ? Explain all alternatives, that you can think of, using appropriate theoretical models and state the likely outcome of each.
4. Which option would you suggest in this case as more desirable ? Why ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab,Jammu

CASE 20

MOTIVES OF RAJESH (MOTIVATIONAL MODELS)

During the formative years of his age, Rajesh had always been rewarded by his parents for acting independently. The school teachers were very happy with his progress - both inside and outside the class room. He had secured several prizes in extra-curricular activities. Yet his mother was worried about him because he never got along with other children of his own age group. While confronting this fact, his favourite reply used to be "Well, I don't need them. Besides things as well as I can. I don't have time to deal with them. Actually, I am too busy improving myself."

Throughout his high school and college career, Rajesh was always at or near the top of his class academically and was also a very good long distance runner in athletics. In college, he shed away from joining a hostel and lived in a rented room by himself. All the time, he had maintained a strong desire for achievement and believed firmly in the concept of continuous self development. He was very ambitious and was always looking for opportunities to develop his innovative abilities and skills.

On his job, he worked independently and was known to be a highly dependable person, not very assertive though, when dealing with people outside his department. This factor hampered his performance to some extent and he was aware of this fact.

For two years, his performance on the job was observed by his manager, Mrs. Saxena, and she invited Rajesh to work on a new project that had come to their department. She knew very well that she cannot force him to take it up, as he already had a heavy work-load. However, having observed his working in the department, she believed he had a strong motivation and ambition. The project was extremely crucial and Mrs. Saxena believed that Rajesh was the right person for the task. Although it would have involved him in some 'Social Contacts', she was certain about his effectiveness in carrying out the task once he commits himself to it.

Mrs. Saxena tried to enlist his commitment by telling him that if he does it and does well, it will definitely advance his prospects of promotion. Besides, it would be a very good opportunity to his innovative talent. According to her, this was an exciting project for him to take, where his creativity would recognition and he could achieve self-fulfilment.

However, Rajesh had a feeling that Mrs. Saxena always promised something to employees that she could not deliver.

For a moment, he thought over the proposal and much to astonishment of Mrs. Saxena, Rajesh turned the opportunity down by refusing to exert and spend his energy for the said project.

Questions

1. In the context of his background, analyze and identify the strong and not-so-strong motives of Rajesh. Give specific evidence for your answer.
2. To which motivational model(s) would you refer, to analyze the various factors influencing the behaviour/decisions by Rajesh in the present case ? How ?
3. How do you think Mrs. Saxena acted to make Rajesh accept the new project ? Explain using an appropriate theoretical model.
4. Could she have acted differently so that she would achieve her objective ? How ? With what likely outcome ?

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Pantalab Jammu

CASE 21

PSYCHOLOGICAL PROFILES OF MOHAN (OB IMPLICATIONS)

For two years, Mohan had been a supervisor in-charge of eight employees. He had shown consistently good results - mainly because he was the kind of supervisor who believed in 'doing everything himself'. Since he had either held or carefully learned every job in the office, he believed he could perform all the functions better than his employees and he really did. Every thing ran smoothly , every one was happy and there was always "good old Mohan" to turn to whenever there was extra work to be done. He was totally committed to his job and felt that any extra minute it took to make a job just right was a necessary and expected sacrifice.

Mohan had such a fine record that he was promoted to supervise fifty employees. He was quite elated. Now he really had a chance to prove his abilities. To start with, he saw only one possible drawback - part of his staff was on the first floor and the others in the basement. For three months Mohan literally worked night and day trying to do everyone's job. When he was needed on the main floor, he always seemed to be working in the basement.

After some days Mohan began to realise that he was not sure of what was actually happening. He never semed to have time to sit down and grasp the whole situation. He thought, "Why, I was so successful in the last office. Here, I am working twelve hours a day and I am afraid I'll be fired if things continue like this."

Now, as Mohan sees it, the problem is

- I have a staff, which is not particularly capable. Therefore, delegating responsibility to them would simply be asking for trouble.
- It is physically impossible for me to continue working at the present pace.

The recent appraisal of Mohan's work was very critical of his office operations and he felt that a continuing poor record would seriously reflect against him as supervisor and as individual.

As he looked poor record would serious reflect against him as supervisor and as individual.

(a) Request for a transfer to a small office.
(b) Improve the quality of staff-sack the less capable employees and train the promising ones.
(c) Take chance and delegate responsibility to key persons in each department - eventhough he may not be highly capable.
(d) Seek assistance/guidance from boss - so he (boss) takes over responsibility for part of the work.

Questions :

1. Draw the psychological profiles of Mohan - as a person, as an employee and as supervisor. Compare these to identify if there is any dissonance.
2. What are the OB implications, if Mohan resorts to each of the four options, in terms of interpersonal relations, motivation and job-satisfaction - on Mohan himself, his junior colleagues and his boss ?
3. Assuming you are in Mohan's place, which of these (or any other) alternative will you choose ? Why ?

CASE 22

TATU AND HIS BEHAVIOUR (OB MODEL)

Tatu Sadhu was fifty seven. He had been a Lathe-hand in the shaft department for fifteen years. Truth is that his official title for pay purposes was "Lathe operator - Turret." But Tatu had been there since the days of overhead belt drives and he rarely thought of himself as anything other than a 'Lathe hand.'

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

One day, Tatu's boss brought a stranger into the department. "Tatu," he said, "this is Mr. Kurian, an engineer from the company that made your Lathe. He is going to check it over to see if it can be converted to one with a bigger range of speeds without ours having to buy a brand new one". Mr Kurian looked at the lathe over and reported that the conversion could be made. Two months later, the maintenance department mounted a new motar and the transmission gadget on Tatu's old machine.

Right from the start, Tatu had trouble with the new set up. It just seemed that he could not get the idea that the machine could turn out work so fast. Instead of twenty five units a day, he was expected to turn out thirty five a day. Running the lathe was no problem. But loading and unloading so many parts was. He continually lost time between the runs. Consequently, his production never reached the expected thirty five per day.

Finally, after a month the new drive, Tatu went to his supervisor. "You better get someone else to run that lathe, the way you have got it fixed up now, "Tatu said. " I hear there is a job open in despatch department that is more to my taste. Will you help me to arrange that transfer ?"

Questions :

1. Analyse and explain the OB proceses within Tatu and between Tatu and his supervisor. Use appropriate OB model for this purpose.
2. What appropriate OB model for this purpose ?
3. If you were the supervisor would you try to pursuade him to stay on the lathe job ? Why ? Alternately, what could you do to make it easier for Tatu to operate the reconditioned machine ?

CASE 23

ISHWAR'S INFLUENCING TACTICS

Ishwar is Training Manager for a medium-sized publishing company. He shares the services of Janki, his Secretary, with the Distribution Manager. He wanted Janki to work overtime one evening, because he had been instructed to conduct an important Senior Management Training on the following day. At the last minute like this he knew it would mean considerable inconvenience for Janki, as she has family and social commitments. She had a right to refuse, of course, since, her working hours are 9.00 to 5.30. Although, she is generally helpful, she is quite a forthright person and on a few occasions she had refused to stay on late. Ishwar has managed earlier, in the past, to get help from an outside secretarial agency. But Janki knows the job. Having an outside agency staff in fact doubles the work for Ishwar.

Situation 1

The moment Ishwar came in after lunch, he knew something was wrong. Not her usual cheerful self, Janki just smiled at him for his alusive comment. She was used to it. But today this as not like Janki who always said a thing or two in return for his comments. Ishwar, therefore, knowing that he really needed her to say on late, decided to wait before raising the matter.

A short while, latter, he called her and suggested they have tea together having spent a few minutes talking about Janki's son and her interest in aerobics, Ishwar said an important assignment had come up and that Janki's help was essential that evening. He told her she was the only one who could do the job properly and he would appreciate it if she could change her

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

domestic programme and help him out. He sympathized with the fact that it would be inconvenient. He also told her how his own family felt about it when he had to work late into the evening. Without Janki's expertise in preparing the necessary materials, the session could be a flop.

Situation 2

Ishwar sits down beside Janki's desk and hetmoans the fact that he will have to stay late tha evening to prepare for an executive 'special' he has been instructed to do. He then asked Janki whether she will also stay late to help him. In return if she needs some time off during the next couple of weeks, he would do his best to arrange it. He also says he will mention her name during the training session, to show that she has given her time for the work.

Situation 3

Janki tells Ishwar, she is sorry but she cannot possibly stay behind that evening as she has to participate in a flower arrangement competition. Ishwar pleads with her but she still politely refuses. Ishwar is obviously becoming frustrated and starts to raise his voice. "So your flower show is more important than the work of the department. I haven't asked you to help out like this for weeks, but once a while an important presentation comes up and I really need your help, flowers ? I know it is outside your normal working time, but I have always been reasonable with you about time off, whenever you wanted to go to your child's school. I think it is time some people got their priorities right."

Situation 4

When Janki refuses Ishwar's request that she stay to work late, Ishwar says, I am simply asking you for help with this important assignment. After all, I make life pleasant for you here. I let you go on with your work. I don't ask you to handle many of those trivial jobs I get. I could just pass everything over to you. And I am very lenient about extended lunch breaks. Some of the other secretaries don't enjoy the same conditions. I don't really want to start checking up on the way you spend your time and things like that. I just hope you will see your way to change your mind about today evening."

Questions

1. Discuss the influencing tactics used by Ishwar in this four situations.
2. What could be the probably outcome, according to you, in each of these ? Give reasons ?
3. Which is these approaches, according to you would be more effective ? How ? Why ?

CASE 24

BEHAVIOURAL ASPECTS

"Do you know we are finding it difficult to meet the bills of chemists on due dates ?" Subhash asked Mathew as the latter came into their office after a round of the words. I have requested the representatives of Dutta and Company to come on the 15th of next month as I have just enough cash only to pay the staff next week."

Can't we draw temporarily from the special fund we had set aside for purchasing operating theatre equipment ?" querried Mathew.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab,Sambhar

"Don't tell me you do not know that we utilized that sum for the X–Ray unit and the laboratory instruments ?"

"Are you suggesting we broke ? Better call the others. This appears serious."

The others were Kapi, Devang and Jacob. The five were friends who went through Medical College together. Fired by a spirit of social service, they pooled their resources together and started the Sarvodaya Hospital in the new township being developed by the Anantpur metropolitan Development Council. Since they would be meeting an essential need they wereable to obtain a large a large plot of 12,000 sq. metres. at a nominal price. Less than a fourth had been set up by modest hospital buildings.

The local population in the area are consisted mostly of Adivasis, who lived on the meagre earnings from the forest produce and the little farming they could carry out on small patches of land. With the opening of a fair number of small scale industries a sizeable working class population grew in the new township. In the five years since the hospital was established, the population of the area grew from around 15,000 to nearly one lakh.

Initially, not many were prepared to avail of the services of the Hospital. In the third year, there was an epidemic of cholera in New Anantpur. The team of five Doctors worked ceaslessly to combat the epidemic. The Hospital overflowed with patients and the facilities were stretched to a breaking point. But the situation was kept under control, since then the hospital and the five Doctors were extremely popular with the residents of the town and adjoining villages and 'bastis'. However, owing to the poverty of these people, finance was always a problem.

With the steady increase in the wages to be paid to the staff, the nurses and ward boys and the rising costs of drugs and other supplies, the slender margins were steadily eroded and over the past few months the deficit averaged around Rs. 10,000 per month. Funds had also to be generated for replacement and new purchases.

"I don't see any alternative to our raising the charges." Devang said, "We are providing services equivalent to those in cities, but our rates are almost half."

"Even so, in quite a few cases we are waiving or reducing because these chaps can't pay," Kapil interrupted. "Why don't we approach some philanthropist for donation ?"

"We will then have to name the Hospital after their late mother or father, take some nephew or niece on the Board," objected Mathew.

"You know we could raise about Rs. 5,000 to 6,000 per month by sub-letting the front office of our building," Kapil said. "Seth Suparia met me the other day. He was saying that our property is ideally located for setting up a foundry."

"Though it is not stipulated in writing, we got the land only for a Hospital" said Subhash.

"And further Subhash, what about the foundry nuisance ?", added Jacob. "Can't we economise or the salary bill ?"

"I don't see now you can pay less and expect people to stay. They would go to bigger hospitals elsewhere, if we want to retain our nurses, we have to pay a little more than the going rate here," said Subhash and in any case, how much can we save ?"

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab, Jammu

"In fact, I wonder how long we ourselves can carry on with the honorarium of Rs. 1,500/–. I suppose you chaps know I want to get married," said Devant. "I can't ask Mamata to wait indefinitely."

"Let us then hand over the Hospital to the state Government and call it quits," said Kapil.

"Is it a bye-bye to dreams ? Do we have to abandon these trustine talks around here ?"

Questions :

1. Analyze and discuss intrapersonal aspects of the behaviour of all the five members.
2. Discuss the interpersonal processes between them, using appropriate theoretical model.
3. What do you predict could be the likely decision (s) after this discussion ? What further psychological issues could arise in case of each one of them ?

CASE 25

MICROTECH (MOTIVATIONAL APPROACH)

When Telang took over Pune area office for 'Microtech' in 1992 it was in shambles. Turnover was high, morale was low, customers were defecting and the offices' overall performance was ranked near bottom at Microtech. Telang called his staff together on his first day as district manager and vowed that the Pune district would finish at the top in terms of sales in Maharashtra. It had finished last the previous year. True to this words Pune district did top in terms of sales. During the next three years operating profits increased by thirty-three percent. How was Telang able to turn around the Pune office when others could not. Essentially he gave his staff sales incentives and pep talks, while, weeding out employees who could not meet his sales targets. Mr. Telang established a new ethos. He arrived earlier in the office and expected other to do the same. He wanted his people to know that he sincerely cared for them. He showered his people with praise and rewarded them for jobs well done. His greatest motivational tools were money and prizes. Mr. Telang also created elaborate sales contests with some winners getting sizeable cash prizes and other gettings video cassettes and microwave ovens. Microtech employees also participlated in company wide incentive programmes such as vacation trip each year for top sales-representative. Mr. Telang also gave prizes with symbolic value. For instance, the best performer of the branch was appreciated publicly in companies' social get together.

While Mr. Telang was quick to encourage and reward his big performers, he has little tolerance for slackers. In his first four years in Pune about seventy percent of his twenty-six staff quit, moved to another district or were fired. "If to me one is just going through the motion I have no trouble pulling the trigger", Mr. Telang said.

Questions :

(i) What motivation concepts does Mr. Telang seem to be using ?
(ii) Mr. Telang's motivational approach has worked in Microtech Office. Explain why ?
(iii) Would you like to work for Mr. Telang ? Why or why not ?

CASE 26

ACE MARKETING SERVICES (BEHAVIOURAL ISSUES)

The people of Ace Marketing Services, Pune had a new Branch Manager like whom they had not seen any before. Ace Marketing Services is a marketing-cum-consultancy organisation with eight Branch Offices of all over the country. Shirish Joshi came as the new Branch Manager at Pune, after having worked as Manager in a smaller Branch Office at Patna.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In only five months Shirish Joshi has introduced a whole new management office in Pune Branch. Some of his radical ideas related to internal communication at his office. A few examples, in the words of Shirish are given below :

"The place is Memo-crazy. During the first two weeks of my coming here, I received over a dozen memos from staff members and the shortest memo was three-and-half pages long." Therefore, Shirish introduced a new rule, "Any memo sent to him must not exceed one page in length. If these people cannot make their point in 200 to 250 words, then they are not sure they want to say."

"I told that the people who report to me that they are well paid professional and I am not going to spoon-feed them. If they have a problem, we will discuss it. But with a condition, this is don't bring to me your problems unless you have thoroughly thought it out and have a recommended solution to offer. It is not my job to make decisions for my staff. It am not a dictator, but an advisor." Most of Shirish's staff find this new procedure difficult to follow. As an executive said, "When I had a problem in the past, I went to the Branch Manager and he would tell me how to handle it. This new policy makes my job twice as difficult. Now I have to review alternatives, select a solution and be prepared to defined that solution to Shirish. My job was easier before he came here."

One of the most radical action that Shirish has taken was to remove all the chairs from his office room, except his own chair. "It have seen that people come into my office, sit down and get comfortable. Then what should be a five minute discussion turns into a thirty minute session. When people sit down and get comfortable, they think they have a right to talk on for ever. It took all the chairs out because my time in valuable, so in theirs. My door is open and I am available when needed. But when anyone comes into my office, he stands up. It makes people fee ill and rather strange. It sure cuts out the idle *chit-chat*. People say that they have to say and leave. If I really want to pursue a conversation at length, we can move to the conference room next door, where there are plenty of chairs."

Questions :

(i) Identify all the behavioural issues involved in this case.

(ii) Comment on the managerial style of Shirish Joshi. How do you predict will by Shirish Joshi's performance as a leader ? Why do you think so ?

(iii) Do you think there is room for modification ? In what areas ? How ? What would you except to achieve after modifications ?

CASE 27

ASHOK MITRA (DEVELOPMENT OF PERSONALITY)

Ashok Mitra is an Engineer in a large design engineering office. Mitra comes from a rural background and his family has a low income. In order to obtain his college, he has worked hard and has paid most of his own expenses.

Mr. Mitra is an intelligent and capable engineer. His main fault is that he does not want to takes risks. He hestitates to make decisions for himself, often bringing petty and routine problems to his supervisor for a decision. Whenever he does a design job, he brings it in rough draft to his supervisor for approval before he finalises it. His supervisor wants to motivate him to be more independent in his work. This approach of motivating Ashok Mirta will improve his performance, relieve the supervisor from extra work and will give more self confidence to Ashok Mitra to improve his performance.

Analyse the above case with reference to the development of personality.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 28

IMPORTANCE OF ROLE OF MOTIVATION

Ramchandran was laid off by his company due to slackness in business. Within 21 days he got a job in a similar company at a place about 50 kilometres away from his previous workplace, but his new job fetched him a monthly remuneration 150 rupees less than the earlier job.

After three months Ramchandran received a call from his former employer to report on duty. But he did not. He preferred to continue with its present job although the salary was less. Reasons were manifold. *Firstly*, Ramchandran found much less interference by his immediate superior in his routine job here. Apart from general guidelines and the targets to be achieved communication to him, he had all the freedom to work out his own ways of achieving the targets. *Secondly*, he found that the supervisors, peers and the subordinates all were of much more co-operative and unassuming nature than in the previous company. *Thirdly*, all the employees (whether workers or supervisory and office staff) were given similar treatment in respect of pension scheme, sickness benefits, canteen facilities, and conveyance allowance. *Fourthly*, the company's "standing orders" did not make a mention of pin-pointed specific rules of punishment for mistakes likely to be committed by the employees. *Fifthly*, there was a clear cut policy of promotion based on merit-cum-seniority. Also sanitary and medical facilities received particular attention of the company. Since he joined this new job Ramchandran has never know any employees being subjected to long sermons about disciplinary proceedings by his supervisor. All these were pleasing to him.

Justify Ramchandran's decision with reference to the importance of the role of 'Motivation' in Organisational Climate.

CASE 29

M/s. PUNAG MAHI LIMITED

Punag Mahi Ltd. is a large commercial house with a network of Branches throughout the country. One of its largest branches is located in New Delhi. The branch with six departments has a total strength of four hundred employees. Each department is headed by a manager. All the managers report to the General Manager, who is the overall in charge of the operations of the entire branch. The branch occupies three floors in a multi-storeyed building

Mr. Ramnath, who has put in over 30 years of service with three company, nas recently taken over as the General Manager of the Branch. Ramnath has handled several important assignments, in the past for the company and has a reputation of enforcing strict discipline in the office.

Although the clerical staff and the supervisors in each department report to their respective department managers, they are also supervised by one Mr. Singh, the office manager, for general office procedures and discipline. Singh is an experienced manager working in the New Delhi Branch for over twelve years. He is known to be exceptionally capable. Other supervisors and managers often consult him on various problems. Most of the supervisors are former clerical employees, having been promoted and trained under Singh.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

As was his practice, Ramnath earmarked some time each week for personnel and operational problems in the Branch. At times, be checked the office activities together with one or more of the managers and supervisors. But he also made it a practice to observe certain operations by himself.

Over a period of weeks, Ramnath became increasingly aware that a number of personal telephone calls were made by supervisors and other employees from their desks. He also noticed that this seemed to be a general practice in all the departments. The telephone expenses thus increased every month.

Moreover, on many occasions, he himself had to wait for these calls to finish, before he could talk about business matters with the supervisors. One day, he observed that a supervisor's telephone was busy almost for 35 minutes with two successive calls, which Ramnath believed were personal calls. It was difficult to distinguish a personal call from a business call, but obviously the company telephone were often used for work other than business purpose.

There was also the question of availability of telephone lines for incoming calls from customers and other agencies. Ramnath had received many complaints that it was difficult to get through to the Branch over telephone, as the lines were busy.

Ramnath called Singh and narrated to him the problem as he saw it. He asked Singh as to what could be done. The discussion proceeded like this :

Singh : Well Sir, we can issue a circular asking the supervisors and other staff not to make or receive any personal calls.

Ramnath : I don't think this will have any effect. We must take some specific action. My view is that we should instruct the telephone operator not to put through any personal calls. All calls go through the operator, isn't it ?

S : Yes, Sir. There are few direct lines, but they are with the managers.

R : Well in that case, this seems to be the best solution.

S : I am afraid, Sir, it would be very harsh. It would provoke a lot of resentment. And some personal calls are inevitable.

R : Don't we have public telephones ?

S : Yes, we have two, but they are located at the ground floor. Most often they don't work.

R : Well, if anyone wants to make an urgent call, he can go there. And if the phones are not working, make a complaint to the telephone department and set them right.

S : But Sir, one cannot receive a call through the public. telephone.

R : The employees are not supposed to receive personal calls during office hours. I won't permit that.

S : Then the union might create trouble. Sir, I am against any hasty step now. Let us consult the union and also other managers.

R : I am sure nothing will come out of it. Any way, let me think over it.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE2026-Over it.

Gandhi Memorial College Of Education Bantalab Jammu

CASE 30

FUNCTIONING OF CHIEF EXECUTIVE OF A MANUFACTURING COMPANY

Inderjit is about 40 and for the last year has been the Chief Executive of a manufacturing company, that operates autonomously, but belongs to a large group. He has firm ideas on how best to manage people. In general terms, he believes that people respond best when the pressure is on them.

Inderjit has tremendous energy. He comes to work at 7.00 O'clock and stays late each evening. He works very hard and expects others to do the same. He is a stickler for details and often sends his managers running back from meetings to collect more facts. Face to face meetings with him are something like inquisitions. He has a very aggressive questioning style and bawls people out when he notices mistakes. He is proud that he can move heaven and earth to "fix" problems. Since he is good both in technical and financial matters, he tends to intervene as soon as he suspects a deficiency. He almost "pounces" to sort it out himself.

When there is a problem to be solved, Inderjit likes to call all those involved together in one room, irrespective of rank or reporting relationships and forces the facts out on to the table. In order to bring, out the truth, he adopts a very challenging style (such as, "I don't believe in you ...", You are lying..."). Such remarks are made out in public, often to senior managers in the presence of their subordinates. What is more, Inderjit will even keep the group at it all night, if necessary, keeping aside other commitments. Eventually, he succeeds in solving the problem and also gets advance warning about other likely problems.

Raghunath, the personnel manager, is one who reports to Inderjit and particularly resents this treatment.

He finds it degrading for a man in his position and also feels that, as personnel manager, he must do something to change Inderjit's style. Raghunath is seriously concerned about the effects of Inderjit's behaviour.

He notices that his colleagues are showing signs of stress; they are putting in enormously long hours. They have become more competitive towards each other and less co-operative. Their preoccupation with Inderjit has reached absurd proportions. They spend lots of unproductive time talking about Inderjit in his absence and trying to anticipate "his next move."

Another alarming effect of Inderjit's behaviour is that senior managers spend long hours, getting the details right, so that inderjit's probing will not catch them out. Managers who were previously willing to delegate, are now less inclined to do so. They feel the only right way is to do things themselves. The managers thus spend all their time on day-to-day issues and are not inclined to do any forward planning.

Furthermore, Raghunath notices that the managers are less willing to accept mistakes than before. They try more to contain the problems conceal them from Inderjit to escape his wrath.

Ironically, Inderjit has complained to Raghunath that too many managers are "fire fighting" instead of doing what they are paid to do, that is "to think". He told Raghunath that he could not understand why people "don't realize that conflict management is nothing but stimulating alternative courses of action? What I really want is for them to go back, think again and tell me about it."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CASE 31

EVEREST STORES PRIVATE LTD.

Everest Stores Pvt. Ltd. was established in 1967 as a family concern with a small general store to begin with. It has now grown into a large private limited company and runs a multi-storeyed departmental store which has about 300 employees. With the growth in company's business, qualified managers, sales persons and other employees are appointed in various departments.

Ms. Vijaya Dixit, aged 58, now working as Manager of Sales Planning is in the organization right from the beginning. She started as a sales girl in the shop and has so far handled almost all types of work in the company.

She had to leave college studies and had to take up a Job, due to some family problem. She has a younger brother, who is well-settled as an aeronautics engineer in Bangalore.

Ms. Dixit is known to be very sincere and loyal to the organization and very strict executive. The management committee has made a special mention of her services and contribution on several occasions. The managers in other departments often consult her on various matters. They have always found her advice to be valuable.

Ms. Dixit's job includes sales planning and budgeting. The Departmental Store has 120 sales girls. They are supervised by five Floor Supervisors. Many of the sales girls are graduates. But they have a continuous turnover. The sales girls tend to leave jobs for family reasons, especially when they get married. So it becomes necessary, almost every year, to recruit and appoint few new sales girls.

Recently, the Sales Manager has come across certain problems and does not know how to solve them. The trainee sales girls from the sales promotion approached him one day and asked whose instructions they should follow.

They said that, they though they were supposed to follow directives of the sales promotion manager, as he was their boss. But they were also getting instructions and directions from Ms. Dixit, from time to time, at clashing with that of their own manager.

One of the Floor Supervisors has complained that Ms. Dixit often checks on the work of the sales girls at the sales counters. She rebuked and reprimanded them for small mistakes. She also criticizes their sales talk and the way they dress. The suprevisor narrated one instance, when a sales girl broke down to tears, when Ms. Dixit objected to her going out with some relatives during the lunch break.

The sales manager is apprehensive: that he should not get into unnecessary squabbles with Ms. Dixit. He respects her for her age and seniority in the company and the weightage she carries with the top management. He would not mind few healthy suggestions from her. But he now feels Ms. Dixit is encroaching rather too far in other manager's territory.

He is also concerned that open confrontation may not be desirable, since that would create a bad image for him with the top management. He thinks he knows the problem but does not know 'how to bell the cat', without hurting his image and the interpersonal relations between himself and other managers, especially Ms. Dixit.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PART IV

THE PRELIMINARIES OF CASE STUDIES

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

PRELIMINARIES OF CASE STUDIES

INDEX

1. Planning in Business
2. Production Planning and Control
3. Decision-making
4. Controlling
5. Communication
6. Motivation
7. Staffing
8. Morale
9. Organisation Structure
10. Formal and Informal Organisations
11. Organisation Chart
12. Sources of Finance
13. Promotion of Employees
14. Labour Absenteeism
15. Labour Turnover
16. Employee Remuneration
17. Industrial Disputes
18. Labour Welfare
19. Efficiency of Industrial Workers
20. Collective Bargaining

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

21. Industrial Relations
22. Trade Union
23. Comparison of needs in the contributions of Maslow, Herzberg and Mc Clelland
24. Job Satisfaction
25. Managing Resistance to change
26. Organisational Renewal
27. Marketing
28. Marketing Mix
29. Marketing Research
30. Market Research Vs. Markting Research
31. Difficulties in Marketing Planning
32. Buying Motives
33. Controllable Marketing Variables
34. The Marketing Planning.

1

PLANNING IN BUSINESS

Planning involves selecting enterprise's objectives and department's, goals, programmes and determining ways of reaching them. It is the most important basic function of management. Planning decides everything regarding the new enterprise in advance.

The Concept of 'Planning' in Business Management :

In the words of *Koontz* and *O'Donell*, "Planning is an intellectual process, the conscious determinatory of courses of action, the basis of decisions on purpose, facts and considered estimates."

The operation acquire design, shape and a well-balanced structure with planning. It is a rational approach to the future. The absence of planning means contradictions, inconsistencies and duplications of work in the operations of an organisation.

The Nature of Planning :

The nature of planning can be understood in the following manner :

1. Planning contributes to objectives : The main purpose of every plan is to contribute towards the accomplishment of enterprise's objectives. In thinking of objectives, and of alternative course of action, and above all, in making decisions, and in choosing certain alternatives, the planner goes through an intellectual process.

2. Planning is the basic function of management : Management is a dynamic process, and planning as its functions, cannot be an exception to it. The manager decides upon the policies, procedures, programmes, projects before proceeding with his work. The management process is a circular process beginning with planning and returning to planning for improvements and adjustment.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. Pervasiveness of Planning : Planning is a function of every manager, although the character to breadth of planning will differ with his authority.

4. Planning is directed towards efficiency : Efficiency of a plan is measured by the amount it contributes to objectives as offset by the costs and other unsought consequences, required to formulate and operate it.

IMPORTANCE OF PLANNING

Planning is important because of the following reasons :

1. Future uncertainty : The future uncertainty and change makes planning necessity. Future is seldom very certain and in future, the results of decisions must be certain.

2. Economy in operations : Planning achieves efficiency and economy. Planning involves selecting profitable course of action. It also helps in identifying alternatives expected to produce, desired results with minimum of unsought effects. The consistency and well-balanced efforts introduce an even flow of work without chaos, confusion and disorder.

3. Management by objectives : Efficient and effective management is the other name of management by objectives. Objectives represent end point towards planning. All plans are directed towards achieving objectives. Therefore, the managers are forced to revise and extend plans periodically. In the interests of objectives, it helps to avoid duplication, overlapping and cross-purpose working.

4. Control : Management function of control seeks to check actual work performance against some pre-determined standard or projected course of action established through planning process. The goals are planned against which actions are to be measured. Thereby effective control is possible.

5. Unique contributions towards the efficiency of other managerial functions : Planning makes the functions of managerial direction and control more effective in organisation. The requirements for further assistance may also be pointed out.

A GOOD PLAN

Col. L. F. Urwick has pointed out the characteristics of a good plan as follows :

(i) A good plan is that which is based on a *clearly definite objective* ;

(ii) that it is *simple* ;

(iii) that it provides for a *proper analysis and classification of actions*, i.e. it established standards ;

(iv) that it is *flexible* ;

(v) that it is *balanced* ;

(vi) that it uses *available resources to the utmost before creating new authorities and new resources.*

PROCEDURE OF PLANNING

The procedure of planning can be explained as follows:

1. Identification of the problem : The manager must identify the problem that calls for planning and action, so that exact step can be taken easily.

2. Establishment of objectives : A second step in the process of planning is to establish objectives. Objectives indicate the end points of what is to be done, where the primary emphasis is to be placed and what is to be accomplished by the network of policies, procedures, rules, budgets, programmes, etc.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. Establishment of premises : The third step is to establish obtain agreement to utilise, and discriminate critical planning premises. Premises are future setting in which planning takes place, i.e. the environment of plans in operation. Some premises can be controlled e.g. adoption of research programme and some premises cannot be controlled, i.e. population, literacy, taxes etc.

4. Searching alternative courses of action : The next step in the planning process is to search for and examine alternative courses of action. After finding out alternative courses and examining their strong and weak points, the next step is to evaluate them in the fight of premises and goals. Naturally, the next step is to select a course of action. This is the point at which the plan is adopted, the real point of decision making.

5. Constructing plans : The last step is to construct derivative plans to support the basic plan. Manager of each segment has to make plans necessary for making a basic plan a reality.

ELEMENTS OF PLANNING OR TYPES OF PLANS

1. Objectives : Objectives are goals established to guide the efforts of the company and each one of its sections and departments. They represent not only the point of planning but also the end towards which organising, staffing and controlling are aimed. In fixing objectives, the management has to determine both long-term objectives and short-term objectives.

2. Policies : Policy-making is an important part of the process of planning. Policies are generally statements which are meant to guide or channelise thinking in decision making of subordinates. Policies ordinarily have at least as many levels as organisation, ranging from major company policies through major departmental policies to minor policies applicable to smallest segment of organisation. These policies must allow for some discretion otherwise they would become rules. In short, objectives are end-points of planning while policies prescribe the broad ways in which the objectives can be realised.

3. Procedures : Procedures are the third type of plans. Procedures establish the customary method of handling future activities and in that they are plan-guides to action or manner in which a certain activity must be accomplished. Relationship between policy and procedure will be clear from one example. A company may have a policy of shipping orders quickly and for this, careful procedures will be necessary to assure that orders are handled expeditiously. In short, as compared with policies, procedures allow less latitude or freedom in managerial decision-making. Policies are the guide posts. However procedure ensures uniformity of action which in turn helps to increase co-ordination in the organisation.

4. Rules : A rule is a plan that lays down a required course of action with respect to a situation. It is in the nature of a decision made by the management regarding what is to be done and what is not to be done in a given situation. The essence of a rule is that it reflects a managerial decision that certain actions should be taken or not. Rules may be distinguished from policies in that they allow no descretion in their application.

5. Programmes : Programmes are a complex of policies, procedure, rules, task, assignments and other elements necessary to carry out a given course of action and they are ordinarily supported by necessary capital and operating budgets. Programmes are necessary for both repetitive and non-repetitive courses of action. Programmes for repetitive action are known as routine planning while programmes for non-repetitive action are known as creative planning.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

6. Strategy : A strategy is a special kind of plan formulated in order to meet the challenge of the policies of competitors. A perfect strategy can be built only on perfect knowledge of the plans of others in the industry.

7. Budget : A budget, as a plan, is a statement of expected results expressed in numerical terms. It represents a consolidated statement of forecasts about the probable expenditure and revenue in each area of company's business. A budget is also defined as "a blue print of a projected plan of action of a business for a definite period". It is said that budgets are means of communication of complex plans laid down by the top management and passed on to those who are responsible for putting them into action.

LIMITATIONS OF PLANNING

Planning is subject to certain limitations and a proper understanding of them will go a long way in improving efficiency of planning.

1. Lack of reliable or dependable information : Perfect information is the basis of plans. If reliable and accurate information or dependable data are not available, planning is sure to be a failure. The period of planning should also be short. The advance forecasting techniques should be utilised for good planning.

2. Paternal inflexibilities and procedural rigidities : Business enterprises operate under changing environment. Industries and units working under dynamic conditions and confronting changes move rapidly, face new problems and complications of instability. Internal inflexibilities dominate the enterprises, management tends to become bureaucratic and rule-centered. The managers may be negligent in revising plans, policies and procedures. All this makes planning job extremely difficult.

In order to overcome these difficulties, the managers must be properly directed. Initiative for development can be aroused.

3. Time consuming and expensive : Planning is a time consuming and expensive process. Planning cost goes up with every increase in its period. It should be remembered that the value expected of planning should be more than the cost involved in it.

4. Planning premises may not be fully reliable : The basic and framework for future productions may be provided by planning premises. Premising is always a subject to a margin of error and guesswork, which reflects in various plans based on them. Hence, to overcome this difficulty, there must be accurate premises.

5. Philosophy of management and personnel : Opposition to change, it can be a very serious limitation to planning, traditional concepts, and beliefs are so deeply rooted in the minds of employees that planning outside, their views of philosophy becomes extremely difficult. Psychologically people are not willing to accept changing views. Therefore, efforts must be taken to convince the people about the value of changes to overcome this difficulty.

6. Other factors : There is very little scope for the management to control external limitations, e. g. Government policies, rules and regulations, taxation laws, competition and technological changes. All these factors act as limitations to planning in differing degrees for different problems, situations and different times.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2.

PRODUCTION PLANNING AND CONTROL

Production planning and control comprise planning, routing, scheduling, despatching and follow-up functions. In the production process, it so organised that the movements of material, performance of machines and operations of labour however sub-divided, are directed and co-ordinated as no quantity, quality, time and place. In the words of *Hordon B. Carson* planning and control generally involves the organisation and planning of the manufacturing process. Specially, it consists of the planning of routing, scheduling, despatching and inspection, co-ordination and the control of materials, methods, machines tooling and operating times. The ultimate objective is the organisation of the supply and movement of materials and labour, machine, utilisation and related activities, in order to bring about the desired manufacturing results in terms of quantity, quality, time and place.

The public sector units were not upto the mark in carrying out various production activities. In 1967-68, the Committee on public undertakings has stated that there had been various and serious faults in the procurement of materials design, drawings, plant and machinery etc. The committee has also stated that if there would have been better production planning, many of the difficulties could have been avoided. Delay and inefficiency is not merely the monopoly of the public sector undertakings. It is also observed that even in private sector the people are supposed to be productivity conscious. The wastages and delays are in existence. A lot of money, for example, is unnecessarily locked up in inventory. The stores and inventory control is not properly managed. In case of batch production, the planning is not properly made. False promises are given to the customers about the delivery date and the delivery period is never maintained. It is very essential to understand at this stage that most of these problems can be solved at the production planning stage. Hence, it is very essential that every enterprise engaged in the manufacturing activity must consider in detail the various problems of production planning.

I. Methods of Planning

The following three stages of planning, are directly related to the production activities :

(i) Manufacturing Planning : It includes planning of various processes involved in production. It also relates to planning about the material, equipment etc.

(ii) Factory Planning : It consists of the planning about building the factory shed, modifications in the building; plant layout and various other problems relating to the factory administration.

(iii) Production Planning : It is directly related to the sales forecasting made by the top management and the marketing manager. These forecasts can provide the total target of production and the same can be subdivided into the schedules for various departments and sections.

It must be noted that the above three types of plans are directly related to one another and the production management must appreciate the need for each type of planning.

(a) While thinking of manufacturing a new product in an established organisation, manufacturing planning will be the first important step which will be followed by the factory and also production planning.

(b) The manufacturing planning will include some steps like finalising the product design which is based on the research conducted by the Research and development department.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(c) The development of new processes as well as development of new equipment required for the production of a new product will also be included.

(d) Identification of important operations in production, would be equally essential to decide the sequence of these operations which will give optimum results.

(e) Time will be useful for deciding the optimum time required for completing various operations.

(f) A list of the purchase requirements based on the product design is also essential. The materials, tools, will have to be properly listed.

(g) The factors mentioned above will have to be considered on the cost-benefit analysis. For example, at this stage it might be uneconomical to manufacture each and every part in the factory itself. It might be useful to give a sub-contract for some items. It is also likely that in the initial stages, it may not be necessary to conduct all the operations in the factory-shed. Some of the costlier operations might also be delegated to some other units. All these decisions can be taken in a systematic manner if the cost benefit analysis is carried out.

II. The factory planning may also include the following steps :

(a) Determination of the optimum size of the factory.

(b) Determination of the location of the plant. This includes the study of nearness to market, nearness to raw material, transport facilities and other infra-structural facilities etc.

(c) Preparation of the layout for equipment as well as factory building. For example, it might be essential to study whether we should have a single storied building for multi-storied building. The problems of material handling, storage operations, problems of foundation and erection of the machinery must also be taken into account.

(d) Consideration of the facilities which should be available to the operators and workers like dining hall, toilets, recreational and other facilities, etc.

It should be noted that the preliminary activities should continue and if there are interdependent activities, the sequence should be so determined that the time-table of completion of the procedures will be maintained. For example, if the machinery is to be imported, it is a common knowledge that the procedure of import is so complicated that it will take not less than two years to import the machinery. Naturally, the preliminary activities can continue like giving orders for machinery, giving orders for various parts and equipment, purchasing land, giving contracts of erecting the factory sheds, etc. It might be beneficial perhaps to start the recruitment plan also, so that people are associated with the production activity right from the beginning, and in the process, they get adequate training. There will be a sense of belonging in the case of people who are associated right from the beginning.

III. Aspects of Production planning :

The production planning essentially includes planning of three aspects —

(a) Project Planning : The long-term and short-term demands should be thoroughly considered to plan the project. The project planning will be accurate if it is based on first-hand market research. It is true that marketing is a very dynamic field but things change speedily and it should not be difficult to anticipate the speed of changes. Hence, the project should be so planned that even if an implementation takes a little longer time than scheduled, the project will have its own benefits. In other words, the project should not get state because of changed market situation. Market research before product planning, done on an extensive scale, would help the manufacturer to a remarkable extent.

(b) Batch production : Whether to have 'batch production' or 'lot production' is one of the important parts of project planning. This decision will affect various other decisions of equipment, machinery and even staffing pattern of the company. The batch production is convenient if there are different specifications for different batches. On the other hand, a

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

continuous flow of production is possible if large number of units are to be manufactured with the same standard and specifications. Therefore, this decision of either continuous production or batch production should be taken immediately

(c) Alternative plans : It is essential to have alternative plans. It has been explained in the techniques of planning that one must anticipate that due to some uncertain factors the production plan may not be put into operation. In such cases, the alternative plans should be ready so that at the right moment the alternative plan can be introduced. If the company does not think of an alternative plan and heavily relies on one master plan, it is likely that there will be tremendous confusion. Even if due to the reasons beyond the control of the manufacturer, the plan is required to be altered, the top management people on many occasions cannot avoid such uncertainties. An alternative plan is the only solution for such uncertain events.

The further division of production planning is scheduling. Scheduling is a time table of production made on the basis of time study and method study. The scheduling should be realistic. It should be based on facts and figures and the management must implement the plans and the time tables. Many times it is observed that the targets are decided at such a high figure that nobody is convinced about the justification of the target. If the target is very low, then also people criticise it because one can easily reach it. The production manager must consider this point cautiously in greater details. He must establish the target in such a way that he can convince his subordinates on the viability of such a target. It is true that the target should be a little higher so that it will motivate people to give their best. The target of production is nothing but another language in which the objectives of the company are expressed. Company's main object is to earn profit and improving profitability and increasing higher levels of monetary returns. These objectives can be translated in the target and the targets should be so implemented that the company can achieve the probable income level. In order to avoid unrealistic budgets, it is customary to present estimated income at a lower level and the estimated expenditure at a little higher level.

Production planning is done in modern times with the help of statistical techniques, for example, the Operations Research, Programme Evaluation, Review Techniques and Critical Path Method are some of these statistical techniques which are used in quite a few companies for production planning. A network analysis is made. Graphs and charts are used to clarify the information and various forces which directly or indirectly affect the production plan. The 'break-even' technique is also used to decide the optimum level of production. These techniques are no doubt useful but the production manager must have the skill to understand and appreciate these techniques. The techniques by themselves cannot solve problems. The techniques should be accepted only as aids.

CONTROL OF PRODUCTION

The psychologists are of the opinion that human beings do not like control. The managers, supervisors and workers are basically human beings and therefore they would not like close supervision and control. Any attempt towards specific control might create resistance in the minds of many. Hence, the top management must establish the system of control in such a way that the production is controlled without affecting the status of the individuals. In order to achieve this result, it is very essential to explain the machinery of control to various levels of management.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

In order to avoid resistance on the part of people, people should be convinced that the control machinery is not only for the controlling performance of individuals but to control the overall performance in developing better market for production.

On the other side, if there is absolutely no control the results would be obvious. For example, the top manager might give a target and if he does not follow up, at the end of the year he will realise that targets have not been reached. At that time it will be too late. Therefore, it is the top manager who has to exercise good control over the implementation.

It should be noted that when a plan is being implemented at a particular speed and by a particular method the top management knows if there are any difficulties in the implementation. The shop floor experience on a particular point might give new dimension to the problem and perhaps the planning at the top level would be modified in the light of the typical experience.

In production planning and control there can be two types :

(a) Direct controls and (b) Indirect controls. The direct controls refer to the inspection at each and every stage of production. Below the standard products are rejected at each and every stage with the result that the quality can be assured and carried out. The indirect controls are better and effective. The control machinery is so established that unless batch A is completed, necessary processing would not start. Naturally, therefore, the planning scheduling, despatch and follow up can be called as indirect methods of control. The inspection and quality control are direct methods of control.

TECHNIQUES OF PRODUCTION CONTROL

(a) Routing : Routing is the selection of paths or routes over which each piece is to travel in being transformed from raw material into finished product. In the words of *Spriegel* and *Lansburgh*, Routing includes planning of where and by whom work shall be done, the determination of the path that work shall follow and the necessary sequence of operations. It forms a ground work for most of the scheduling and despatching functions of a planning department.

Routing exercises a great influence upon the design of the factory building and the machines. Through experience and experimentation the best routing may be obtained and a route should be prepared outlining the whole path and sequence and the proper class of machines and personnel required for a particular operation.

(b) Scheduling : Scheduling is concerned with the determination of time required for performing each operation or a series of operations. In scheduling, it is seen that a piece of work is started at a particular point of time and completed at a particular point of time.

Production Schedule : Production schedule is the budget of time for beginning and completion of a manufacturing order. First step in scheduling in production is to convert customer's order in production terms. Each standard part of a product is represented by a file card with an identification number. With the help of sorting machines, cards representing the part requirements of a given type of product are assembled. They are automatically recorded on a stencil. The information in the analysis sheets represents the standard parts of a particular product. Product represented by analysis sheet comes up for production. Then the stencil is taken from the files and distributed to the clerks, supervisors and formen.

CC-0.Panjab Digital Library Collection. Digitized by eGangotri Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Scheduling is of different degrees of refinements depending upon the nature of product manufactured. There are three stages in the process of scheduling:

(i) **Master Scheduling :** This consists of assigning the dates on which the important parts of the product should be completed.

(ii) **Operation Scheduling :** In this, total time required for doing a given piece of work with a given machine or process is assigned.

(iii) **Detail operation Scheduling :** In this scheduling time, which is required to do each detailed operation of a job with given machine and process is assigned.

The master schedule is based on sales orders and before preparing it, volume of work already in process should be taken into consideration. Once the master schedule is prepared, preparation of operation schedule and detail operation schedule is easier.

If it is true that scheduling is merely an extension of production planning but generally the word "planning" is used for overall planning while the term scheduling is used for a particular process or a particular product to be manufactured within shorter duration of weeks and months. The scheduling presupposes mature understanding about the production problems and an amount of co-operation between various sections. It also assumes that there is resistance on the shop floor for particular operation.

(c) Despatch : The dispatcher is the activating organism for achieving actual production under a planned system. He sends work tickets, materials and parts requisitions, tool orders to the appropriate shop people. He does this in accordance with the scheduling clerk's release time schedule. In other words, it is another method by which the time-table can be rigorously implemented. Despatch problems include deciding the time limits for various operations. Once the first stage in the process of production is over it is passed on to the second stage and once it is accepted in the second stage it becomes the responsibility of the second stage workers to execute the job and despatch it to the third stage in the production. When the deadlines are established, generally, production plan will be properly implemented.

(d) Follow-up : Follow-up is also an important control measure. People get tired because of the reasons beyond control of the management or workers. The workers try to postpone the activity. In such cases, chasers are appointed whose main object is to follow up production. The chaser is not necessarily a task master. He is a man with better understanding about the production problems and it is he who removes the production bottlenecks in the real sense of the term. In other words, he would be assigned the job of investigating and remeding the difficulty as quickly as possible. He provides on-the-spot solution and also takes lightening decisions which might mean some deviation from the usual practice but it fits into the total framework. The supervisor and the leader can really perform the function very effectively.

(e) Quality Control : Quality refers to the degree of goodness of a product. Objectively, it consists of a set of measurable characteristics for which standard dimensions, together with small, allowable departures may be prescribed.

Quality control stands for the systematic control of those variables which effect the excellence of the ultimate product. In most of the enterprises, there are well established quality control departments and inspection departments. The speed and quality of the product will be checked by the inspectors. The specifications or standards are laid down in advance. In this

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding By MoE-IKS and FIST Grant

Gandhi Memorial College Of Education Bantalab Jammu

era of specialisation, many techniques have been developed. The Statistical Quality Control (S.Q.C.) is the technique of applying statistical methods based upon the mathematical theory of probability to quality control problems, with the object of establishing quality standards and maintaining adherence to these standards in the most economical manner. The S.Q.C. is a tools of management control.

In the words of *Dr. H. N. Broom*, "Total quality control offers an underlying, unifying philosophy for the whole quality effort. With it, a firm can minimise quality failures and overall quality cost. Total quality control contemplates a complete programme of quality cost accounting. It envisions three categories of costs. These are as follows.

1. **Failure costs :** These includes the costs of scrap, rework, handling of complaints, sales returns, and field repair service to customers.
2. **Approval costs :** These cover inspect or testing laboratory expense and quality audits.
3. **Preventive costs :** These include expenditures for employee and quality training, quality maintenance of equipment tooling quality control planning, reliability engineering and investigations made to identify sources of quality trouble.

(f) **Inspection :** Inspection measures production against established standards. In the words of *Afford* and *Beauty*, "Inspection is the art of applying tests, preferably by the aid of measuring appliances, to observe whether a given item of product is within the specified limits of variability." Inspection is useful for identifying sources of defects and the people responsible. It protects customers from receiving a product that is below the quality level and limits specified. It helps to compile information regarding various significant factors. In large scale enterprises, special efforts should be taken to standardise the product acceptable for the incentive system. Equal importance should be given to both quality as well as quantity.

(g) **Z. D. Technique (Zero Defect) :** This technique is also used with caution. It is something like an urgent letter. If every letter becomes an urgent letter it loses its meaning. In the same way, Zero Defect technique should not be used every now and then. The manager can be selective in deciding when and how the use of this technique is made.

The Zero Defect System has been invented by the United States Army Organisation and has become very popular in American business. The Zero Defect technique is to be used specifically for meeting the export orders, because it has been repeatedly expressed that our products which move with American markets are not always standard products. Appeal can be made to all the workers that a consignment has to go abroad and hence, Zero Defect Programme, almost as a crash programme, must be introduced. This will help the management in educating the workers about Zero Defect technique and it will satisfy the requirement of maintaining the quality and quantity of production.

The cost of control must also be taken into account. It is likely that an enthusiasm to control the performance, there may be a heavy cost of the machinery of control itself. In administration, on many occasions, in order to implement the scheme of control, more and more assistants are recruited and that itself becomes a costly proposition. Therefore, the manager should never think of control for the sake of control. Every effort of control must have a specific objective. Cost control aims at providing a definite collateral check on the financial records. It helps to determine the degree of importance of each element of cost. The progressive

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh Funding by MoE-IKS

Gandhi Memorial College of Education Bantalab Jammu

managers would always take their subordinates into confidence and would explain the need for the highest possible accuracy and a reasonable good speed. One need no over-emphasise the function of quality control. Once these standards are established, the quality control department and the inspection department should be bold enough to locate the faults and even reject the goods for rework and redoing in the factory. This might create a short term unpleasantness, but it will provide an opportunity for a long-term goodwill in the market.

Sales Plan :

Sales planning means determining the methods for its implementation on the distribution side. In sales planning, a suitable programme will have to be adopted, selection of the proper methods will have to be adopted, and definite aims also have to be decided.

The following factors should be taken into consideration while planning a proper sales programme.

1. Selection of proper channels of distribution through which goods can be sold.
2. Selection of proper advertisement media.
3. Selection of attractive designs, trade marks, trade names, and packaging.
4. Investigation regarding demand for a particular product through market research.
5. Selection and training of sales personnel.
6. Necessary arrangement for warehousing, stock control transportation of goods, etc.

3

DECSION MAKING

A decision is an act of choice wherein the executive reaches a conclusion about what must not be done in a given situation. It is a point at which plans, policies and objectives are translated into concrete actions. The purpose of decision-making is to a direct human behaviour towards a future goal. If there were no alternative, there would be no need for a decision. Decision-making is all pervasive and permeat planning, organising, controlling and all other functions of managements. In the words of *Melwin T. Copeland*, Administration essentially is a decision-making process and authority is responsibility for making decision and for ascertaining that the decisions are carried out. In business, whether the enterprise be large or small, changes in condition occur.

Management takes decisions on all types of problems and matters. The decision on routine matters can be taken by lower level of organisations, so that top management can concentrate on vital and strategic decisions regarding distant future should be taken in advance. Decision-making is a rational process and it should be based upon systematic analysis of all facts.

Some of the important characteristics of a decision can be described as follows :

1. Decision is the end process.
2. It is rational.
3. It is the choice of the best course among alternatives.
4. It may be negative.
5. In every decision there is also the concept of commitment.
6. There is the characteristic of evaluation in decision making.
7. Decision relates the means to the end.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

TYPES OF DECISIONS

1. Tactical and Strategic Decisions : Peter F. Drucker distinguishes between tactical and strategic decisions. Tactical decisions are routine and unimportant and usually contain few alternatives and relate to the economic use of resources.

Strategic decisions are made by management and involve either finding out what the situation is, either finding out what the resources are or what they should be. These decisions are upon basic objectives and may affect the entire organisation productivity or operation of the business. Strategy can be defined as a behaviour of the management in trying to achieve sense for company goals, in environment of competition. It is based on the action of other strategies, are solely calculated to implement plans and objectives bearing in mind all types of uncertainties.

2. Major and Minor Decisions : Decisions may be classified as Major and Minor. For example, if it relates to the purchase of a site for a factory, it is a major decision. On the other hand, purchase of stationary is minor matter.

3. Programmed and Unprogrammed Decisions : Programmed decisions are those which are routine and in which repetitive risk involved are not high. They can be easily delegated. Assessment can often be made in quantitative terms and can be computerized. Unprogrammed decisions on the other hand, are few, risks are high; cannot be quantified and may involve a greater expenditure of resources.

4. Organisational and Personal Decisions : Organisational decisions may reflect the company's policy. On the other hand, personal decisions are those made by manager as an individual and not as member of an organisation and cannot be delegated.

5. Policy and Operating Decisions : Policy decisions are taken by top management, e.g. whether to give profit, bonus to employees or not is a matter of policy to be decided by top management. On the other hand, operating decisions are taken by lower level of management e.g. calculation of the bonus for each worker is an operating decision.

6. Long-Term, Departmental and Non-Economic Decisions : In the of long-term decisions, the period covered is fairly long and the risk is greater. Departmental decisions are taken by the departmental or sectional heads and they are connected with the department only. Non-economic decisions are connected with decisions relating to non-economic factors such as moral behaviour, moral values, etc.

THE PROCESS OF DECISION-MAKING

While making a decision, the manager should observe certain steps and follow them in the proper sequence. The decision-making process can be divided into the following steps.

1. Defining the problem : Defining the problem in most instances is a time-consuming task but it is time well spent. In defining the problem, the manager should find the critical or strategic factor, and he would be wise to restrict himself to these.

2. Analyzing the Problem : According to Peter Drucker, it is necessary to classify the problem in order to know who must make the decision, who must be consulted in making it and who must be informed. Without prior classification the effectiveness of the ultimate decision, is seriously endangered, for, classification alone can show who has to do what in order to convert the decision into effective action. To make a sound decision, it is not necessary to have

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant.

Gandhi Memorial College Of Education Bantalab Jammu

all the facts, but it is necessary to know what information is lacking in order to judge how much of a risk the decision involves, as well as the degree of precision and rigidity that the proposed course of action can afford.

3. Developing Alternative Solution : It should be an invariable rule to develop several alternative solutions for every problem. The main purpose of finding alternative solutions is to make the best decision after a careful consideration of the most desirable courses of action in the circumstances of the case understanding the situation is an important element in decision making.

According to *Peter Drucker*, " Alternative solutions are the only means of bringing our basic assumptions upto the conscious level, forcing ourselves to examine them and testing their validity. Alternative solutions are no guarantee of wisdom or of the right decision. But at least they prevent our making what we would have known to be the wrong decision had we but thought the problem through.

Alternative solutions are, in effect, our only tool to mobilize and to train the imagination. They are the heart of what is meant by the "Scientific Method."

Of course, searching for and considering alternatives does not provide a man with an imagination he lacks. But most of us have infinitely more imagination than we ever use. A blind man, to be sure, ca not learn to see. But it is amazing how much of a person with normal eyesight does not see, and how much he can perceive through systematic training of the vision. Similarly, the minds of vision can be trained, disciplined and developed. And the method for this is the systematic search for and development of the alternative solutions to the problem.

4. Finding the Best Solution : After developing the alternatives, the manger should test each of them by imagining that he has already put each into effect. He should try to foresee the probable, desirable and undesirable consequences of adopting each alternative. After having done this, he will then be in a position to compare the various alternatives. In this process, he should think of the risk which is involved in each course of action. According to *Peter Drucker*, "The wrong decision must never be adopted because people and the competence to do what is right are lacking. The decision should always lie between genuine alternates, that is, between courses of action every one of which will adequately solve the problem and if the problem can be solved only by demanding more of people than they are capable of giving, they must either learn to do more or replaced by people who can. It is not solving a problem to find a solution that works on papers but fails in practice because the human resources to carry it out are not available or are not in the place where they are needed." It is said that past experience is a guide for making decisions in the present. However, it should not be followed as it is. The changing circumstances and assumptions of decision in the past should be carefully examined before deciding a problem on the basis of experience.

5. Making the decision effective : After having defined the problem, analysed the problem and having developed and evaluated alternative solutions, the manager can select from these alternatives, to determine the best possible solution. The knowledge obtained by past experience is generally a helpful guide in arriving in the final decision. But it must always be viewed with the future in mind, and the underlying circumstances of the past and present must be taken into consideration. Only within this framework an experience is a satisfactory approach to the selection from alternatives. Decision must help people in achieving their objectives, assisting them in their work with a greater sence of achievement.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

WHO MAKES THE DECISION ?

Technically, the higher authority is to management which makes the decision. But in practice, it may have been delegated by convention or rules. *What are the criterias in delegating decision to subordinates ?*

If the cost of correction is large and if the chances of being wrong are high, then delegation is not desirable.

TECHNIQUES USED IN DECISION—MAKING

There is current emphasis on competitive analysis. Various deciplines have contributed to research and development of application of mathematical techniques. Techniques, of course, cannot do anything. The significance of their contribution depends essentially on the management, attitude behind them. Techniques are only aids to his judgement and not substitute for judgement.

Planning and control are closely inter-related and they determine the accuracy of decision-making.

AIDS TO DECISION-MAKING

1. **Intuition :** There are many persons who have exceptional intuitive power to come to the right decision. Institution is a subjective factor and the decider because he just feels that way.

2. **Experience :** The decider may be guided by his own experience or that of his colleagues or even competitors. Many issues which call for decision may be similar to those decided upon in the past either in the same enterprise or in other similar concerns.

3. **Facts :** A decision should be based on facts because too much reliance upon experience leads to stereotyped decisions, while intuition contributes the subject element in decision and experience lends historical support to it, facts give it an objective basis and fit it into a particular situation.

Decision-making is the heart of planning. Decision-making is the most important stage at which the success of those in management is determined. It is the crucial point in the whole process of planning and organising the administrative responsibility, correct decision-making or otherwise have definite consequences in organisation. The limitations of decision-making also determine the success or failure in business. It is, therefore, quite natural that the professionalised management has given so much importance to the evolution of techniques employed in taking correct decision. In recent years, attention has also been given to sharing decision with subordinates. Extremely powerful mathematical model has also been discovered to apply to the process of decision-making. According to *Melvin T. Copeland*, "Administration essentially is decision-making process and authority is responsibility for making decisions and for ascertaining that the decisions made are carried out. In business whether the enterprise be large or small, changes in conditions occur, shifts in personnel take place, unforseen contingencies arise. Moreover, just to get wheels started and to keep them turning, decisions must be made."

Correct decision is the test which determines the profitability of any concern. Management without decision is like a man without a back-bone. Nothing can be done without taking decisions. Every aspect of management functions such as planning, organising, directing controlling, motivating, coordinating is determined by decisions, the fruit of which is the

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

performance in the organisation. According to *Harold D. Koontz* and *Cyril F. O. Donnell*, where the human impact of a decision is great, its importance is high. Plans that may be sound, feasible, and desirable in terms of a profit goal may not be practicable in terms of the attitudes of the people affected. For example, a decision to put payroll of purchasing procedure on an electronic data processing machine may involve almost completely quantifiable date inputs, yet the unrest and resistance of the clerical force may make the decision difficult. In such cases, of which there are many in a typical enterprise, the decision should probably be rated up in terms of importance, since no action contemplated for a group of people can afford to overlook acceptance by the group. Decision-making is, therefore, vital to all management activities. It helps to set definite objectives, prepare plans of action, determine organisational structure, motivate personnel and introduce innovations.

4

CONTROLLING

Control is a fundamental managerial function. With the help of controlling the management measures the performance of the subordinate units. The management also scrutinises the plans and the objectives which the enterprises expects to be accomplished with the help of controlling.

The technique of control is associated with planning as a part of scientific management. As with planning, so in control, there is not attempt to create a super authority, nor to create an extra, over-riding command. Control is effected through organisation structure. The only officials who initiate the actions of others by giving orders are the line managers, acting within the scope of their own authority and responsibility. Controls can come into effect only when plans have been adopted and instructions issued to all affected by the plans to take appropriate action. The act of control is then concerned with seeing teat everything is carried out in its predetermined orders. It is, therefore, a continuous process of measuring actual result of operations of an organisation, in comparison with the standards laid down as a guide.

DEFINITIONS OF THE TERM 'CONTROLLING'

1. **#Louis A. Allen :** "Control means to guide something in the direction it is intended to go. This is not the same as simple command the giving of orders with which control is often confused. Control involves where you want to go, observing to see that you keep on course and schedule and giving orders when necessary to correct any variance".

2. **In words of Henry Fayol :** " Control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and the principles established".

3. **According to Koontz O'Donnell :** "Controlling implies measurement of accomplishment against the standard and the correction of deviations to assure attainments of objective according to plans".

Management and Organisation — Louis A. Allen.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Thus, controlling is a continuous process which helps a manager to get the performance of his subordinates correspond to the standards fixed, to detect variations soon as they occur and to take corrective steps to prevent them in future. It has been accepted as a basic managerial function to ensure speed of activity and quality of the activity. Proper control smoothens the working of an organisation. The process of delegation and exercise of control must be complementary. At the same time, no matter can be delegated to a subordinate without introducing the appropriate degree of control. Control is exercised by agreeing upon a time or date for report on what has been delegated or for its completion and following up to ensure that timing is observed. Control is exercised by periodic inspection by commendation or criticism when the delegated work is completed. It is also established by agreeing and setting targets for performance, often in financial terms and by comparing results with what was expected.

ESSENTIAL STEPS IN CONTROL PROCEDURE

1. **Establishment of standard :** Standards are fixed against which results can be measured. The actual performance of the business enterprise is judged against the target and objectives set. Such standards must be clear and meaningful and should be understood by the person concerned. It can be set for many intangible items like the results to be expected from a training programme.

2. **Checking and Reporting on Performance :** In this step, arrangements are made for the measurement of performance for the purpose of comparison with standards. As long as operations go on according to plans, there is no need to submit any report. Only when unexpected results occur, there is a need for report and corrective action. In the absence of such reports, the managers would assume that all activities are proceeding as planned.

3. **Corrective Action :** The data collected through observations have to be analysed and reviewed. Immediate steps are taken for the correction of deviations from standards.

Thus, a system of business control is used to isolate those faults which relate to the area in which a decision has to be made. The facts are processed, and presented to management. On the basis thus provided, one can then set objectives, shape plans are exercise control, in its simplest form by comparing performance with plans. The general objectives are translated into departmental objectives with defined standards of output, quality and cost. At the appropriate time, actions taken to bring performance into line with the plan, perhaps also to modify the latter. The targets set have to be attainable and they have to be the right ones. Individuals must be made unambiguously responsible for stated activities. Data must be collected and processed quickly enough for action to be taken. Thus, with the help of control information, it establishes data for future plans. The manager can study the past, note the pitfalls and avoid them in future with a view to preventing their recurrence.

TYPES OF CONTROL

There are mainly two types, of control, viz.

1. Direct controls
2. Indirect controls.

Direct controls are those like cost control, quality control, budgetary control, while indirect control means establishing a system in such a way that automatically the control can be maintained.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The application of control should not be fairly widespread throughout the undertaking if maximum advantage is to be gained from the availability of information about deviations from plans. The different groups of activities which are susceptible to control by comparison of plan with performance are the concern of separate independent specialists.

The reporting of control data according to responsibilities leads to the acceptance of an obligation for the correction of faults. Together with the explanation of the deviations that arise from the analysis, this concentrates the executive's attention upon the trends that need correction, if efficiency is to be maintained. Above is the application of the principle of control by exception. This concentration is aided by reporting comparisons only where remedial action needs to be taken. This results in conservation of valuable executive time by facilitating rapid assimilation of important information for the specification of subsequent remedial action.

REQUIREMENTS OF EFFECTIVE CONTROL SYSTEM

The following are the requirements of an effective control system :

1. **Controls must reflect the nature and needs of the activity :** The system of control should reflect the job they are to perform. Certain techniques, such as budgets, break-even points, standard hours or costs or various Financial ratios have general application on many business situations. However, it should never be assumed that any of these widely used techniques is applicable in a given situation. The manager must be aware of the strategic factors in his plans and operations calling for control and use techniques which are suitable to them.

2. **Control should report deviations promptly :** The ideal control system detects deviations before they actually occur. Manager should be provided with information as early as possible so that he can head off failures

3. **Control should be forward looking :** Ideal control is instantaneous, self-correcting and forward-looking. However, managerial control is not exactly similar to the mechanical or electronic control, and there must exist a time-lag between recording, reporting the deviations and the corrective actions to become operative. A manager should, therefore, so structure his control system that deviations are predicted well in time and corrective actions initiated before substantial deviations occur.

4. **Control should point up exception at strategic points :** A good system of control not only points up the deviations or exceptions, but also pinpoints them where they are important or strategic to his operations.

5. **Control should be objective :** The control should be definite, objective and verifiable. It should not be influenced by personality of the superior, or the subordinate. Objective standards can be quantitative such as costs or man-hours per unit, or date of job completion, they can also be qualitative such as a better budget programme or accomplishing an upgrading of the quality of personnel.

6. **Control should be flexible :** Control is a dynamic process. The plans and objectives may change according to the needs of the situation and must adjust itself to them. In other words, controls must remain workable in the face of changed plans, unforseen circumstances or outright failures. In the words of *Goetz*, "A complex programme of managerial plans may

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

fail in some particulars. The control system should report such failure, and should contain sufficient elements of flexibility to maintain managerial control of operations despite such failures".

7. Control should reflect organisation pattern : Control should reflect the organisation pattern because it is exercised through managerial positions. Each managerial position should be provided with adequate authority to exercise self-control and take corrective actions. Flow of control information should be consistent with organisational structure employed.

8. Control should be economical : Control must be worth its cost. According to *Herold Knootz* and *O'Donnell*, economy is relative. Since benefits vary with the importance of the activity, the size of the business, the expenses that might be incurred in the absence of control, and the contribution the system can make. A small company cannot afford the extensive control system of a large company.

9. Control should be easy to understand : Control system should be simple to understand. This is necessary both for the smooth working and the effectiveness of the system.

Many so-called experts recommend sophisticated and advanced techniques of control and tend to overlook the question of their being understandable to managers in the organisation. Naturally, control loses its effectiveness. Thus, while getting a control system, management should take into account the present qualifications and abilities of the execution and see that it is properly understood by all those who have to manage it.

10. Control should indicate corrective action : Control should detect deviations and also suggest corrective actions promptly. Simple recording of errors and deviations and fixing responsibility for their occurrence is not sufficient if it is not followed by suitable actions to remedy the situation.

5

COMMUNICATION

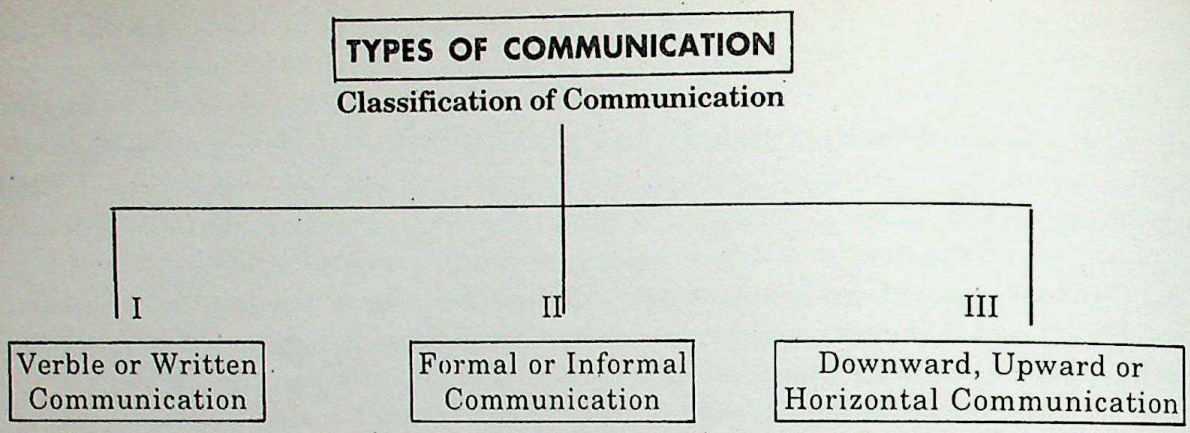
Communication is the sum of all that a person does when he wants to create understanding in the mind of another. It is bridge of meaning. It involves a systematic and continuous process of telling, listening and understanding. Communication is a vital aspect of the managerial process. In the words of *Charles E. Redfield*, "Communication is the broad field of human interchange of facts and opinions and not of technologies of telephone, telegraph, radio, and the like". Communication may be through words, symbols, letters or actions. But so long as people in the organisation share the meaning and understanding with the another there is communication. Communication may be defined as the transfer of information and understanding from one person to another. Thus, there are two important features of Communication.

1. Necessity of receiver and sender : Communication cannot take place till there are at least two persons : receiver and sender.

2. Understandable Information : Communication need not draw out confidence, but understandable information should be exchanged. However, understanding does not mean that the receiver must agree to the information. Even though there is disagreement, if the information is understood, communication can take place.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu



Verble or Written Communication : This is the first important category of communication. In the case of Verbal Communications, everything is oral and there is nothing in black and white. The examples of verble communications are : Orders and face to face discussions, telephonic talk, lectures, social gatherings (e.g. men-boss meetings), conferences, interviews, personnel counselling, public speeches, audio-visual aids like slides and movies, plant-broadcast, whistle and bells, grapevine, etc.

ADVANTAGES OF WRITTEN COMMUNICATION

1. **Time and money saving device :** It is a time and money saving device. In the case of written communication, the instructions are to be reduced to writing. There is no need of this formality in verbal communication. There is no other device which may be so short, sweet, simple and quick.
2. **More effective :** It is comparatively more effective because there is nothing behind the screen. Hence, better and immediate impression can be created particularly when the communication is accompanied by actions, gestures and charming facial expressions.
3. **Easy understandability :** There is easy understandability in the case of verbal communication.
4. **Measurement of effect :** It is also more convenient to measure the effects of communication. The communicator can easily guess whether the recipient is following him or not. He can immediately make proper amendments and can discern the recipient's attitude, whether it is one of acceptance or rejection.
5. **Useful during emergency :** It is the only way out during periods of emergency, when every activity is to be quickened.

Verbal or oral communication is, however, not suitable in the following cases :

1. Written communication is the only way out if both communicator and the recipient are far off, even beyond telephonic range.
2. If the message to be conveyed is lengthy and needs a thorough clarification, written communication would be more suitable, because there will than be lesser changes, to miss any point.
3. Written communications provide a permanent record and can at times, be referred as evidence.
4. Written communications have a permanent value in the sense that they can be utilised by the managements off and on when the need arises in future.
5. Last but not the least, in the case of written communications the recipient can conveniently ponder over the message and request for amends if necessary.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

On the other hand, written communications are always in black and white. *Examples of written communications are* house organs, and newspapers, bulletins, boards, letters and memos reports and forms manuals and hand-books, posters, payroll inserts, annual reports written grievances, suggestions system, attitude questionnaires, newspapers inserts; etc. The above disadvantages of verbal communication are merits of written communication.

DISADVANTAGES OF WRITTEN COMMUNICATION

1. **Wastage of time and money :** In the case of written communication, everything has to be translated into black and white, which is likely to consume more time and money. Face-to-face contacts may be short and quick, but written communication must be long and lucid.

2. **Additions are difficult :** It is not always possible to reduce everything to writing and if any point is left out, additional written communication may become a necessity which is expensive and takes time.

3. **Chances of leakage :** Oral talks may remain secret, but there are greater chances of leakage in the case of written communication.

4. **Other :** Delays and red tapism.

Out of two forms of communication-verbal and written-which is better, is a difficult question to decide. Indeed its answer depends upon the circumstances of each individual case. "The essential problem is to provide the balance. A firm having an excellent bulletin board system but poor channel for upward flow can never be successful in the overall communication programme. Proper balance should sought to provide adequate channels up, down, across and outside oral and written devices also should be used as per the need of the situation and according to the content of communication ".

2. Formal or Informal communication

Formal communications are mostly in black and white. They derive their support from the formal organisational structure. Formal communication are generally associated with the particular positions of the communicators and the communicatee or recipient in that structure e. g. when the general manager instructs his subordinates by virtue of his superior position, it is formal communication. Informal communications on the other hand are free from all sorts of formalities. They are based on the informal relationship between the parties. They are generally termed as 'the grapevine'. Informal communications may be conveyed by a simple glance, gesture, nod, smile or mere silence.

3. Downward, Upward or Horizontal communication

Under the third category, communication may be classified as downward, upward or horizontal. Communication is termed as downward if it flows from the uppermost level of management towards the operative force. It is upward, if it flows from the subordinates to their superior. It is horizontal if it takes place between two subordinates of the same superior e g. between to departmental heads or between two or more persons who are tied to each other by relationship of equality. All these communications downward, upward and horizontal may be verble or written.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Other Methods to Transmission

1. Action : The sense of sight is about 87% effective, hearing 7% and touch, smell, taste etc. Only 6% actions always speak louder than words. Actions can be easily understood.

2. Silence : This is probably more subtle form of communication, but if misused, it is the stupidest form. The purposeful or unexplained silence on the part of the manager may be taken to mean something by the subordinate. It is effective and harsh when displeasure and disagreement is to be expressed. Silence accompanied by facial expression when, e.g. a clerk is asked to mark overtime. If the object is to confuse, silence will succeed as the chances of receiver choosing the correct interpretation are remote. A silence may indicate annoyance, disgust, indifference, hurt feelings, fear, suspicion, distrust, antagonism, etc.

ESSENTIALS OF COMMUNICATION

The followings are the essentials of communication :

1. Clarity thought : The idea to be communicated should be absolutely clear, and in positive and precise terms. The idea should not be vague and confusing. It should be easily understandable to all levels of management. In India, where the multiplicity of languages is there, this point is most important.

2. Participation : Communication is a systematic and continuous process of telling, listening and understanding. Hence, communicator and the recipient should participate in the communication. There should be mutual understanding between communicators and communicated. Proper attention must be given towards complaint and suggestions and feelings of the workers.

3. Cordial 'Superior-subordinate' relationship : In most of the organisations, communication fails because superiors are not giving any importance to their subordinates. Hence, they cannot succeed in establishing proper communication spirit and communication is bound to be mistrusted and misunderstood. It must be remembered that superior-subordinate relationship is very sensitive. The superior must take subordinates into trust and confidence and encourage them to actions.

4. Transmission : Communication should be carefully planned. It must result into action. It should be prescriptive and not descriptive. Communication must motivate recepients into action.

5. Continuous system : The system of communication should be continuous. For developing good communication relations, honest effort should be taken.

6. Avoid personal prejudices : Communication to be successful must be free from personal prejudices. It should not be offensive in content but co-operative in its approach. Offending subordinates impatiently should be avoided.

7. Appropriate Channel : Communication channel should be appropriate depending on the nature and the purpose of the contents to reconveyed. Lengthy messages can be conveyed through written communication. Firm order can be conveyed through oral communication.

It must be remembered that "*Communication is not a substitute for good management but it requires good management to operate it effectively and efficiently*".

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

IMPORTANCE OF COMMUNICATION IN MANAGEMENT

"Communication is the flow of accurate informations which people want, need and are entitled to have for successful completion of the job." Importance of the concept of communication in management cannot be over-emphasized. It is an established fact that one of the foundation stones upon which organisation rests, is a system of communication. In fact, success of all managerial functions largely depends upon effective communication. Effectiveness in managing largely differs with ability to communicate. Both superiors and subordinates must understand the information, if there is to be proper implementation and compliance with the communication. Importance of Communication is also indicated by the fact that nearly ninety percent of the manager's time is consumed in communication. The necessity for effective communication in management has been widely recognised in recent years. The *importance* of communication can be described as follows:

1. **Smooth and un-restricted running of the Enterprise :** The smooth and unrestricted running of an enterprise depends on an effective system of communication. In every big or small organisation in the public or private sector, 'communication' plays a major roles e.g. if you happen to enter in a bank or an insurance company you will find all the clerks and the persons busy with the disposal of some sort of 'communication.' In the manufacturing concerns, instructions and informations are being passed on continuously from one end to the other, from a superior to his subordinate, from the managing director to his executives.

2. **Quick Decision and Implementation :** Communication helps the administration in arriving at vital decisions. Without communication it may not be possible for the top administrators to come in closer contract with each other and discuss the important problems pertaining to the organisation. In short, effective communication is the *Sine qua non* for a quick and systematic implementation of the management decisions. It is the basis of the direction and leadership. It lubricates the entire organisation and keeps personnel working in accordance with the decisions of the top administration. The letter through communication, conveys targets, issue instructions, allocates jobs and responsibilities and look after the efficient performance of all activities.

3. **Proper Planning and Co-ordination :** Communication also helps a lot in planning and co-ordination. The widest possible participation in planning is a pre-condition for getting the task done, and this can be effectively secured only through the media of communication. To a large extent, co-ordination and co-operation depend upon proper and effective system of communication, at all levels of management and in all areas of organisation. According to *Mary C. Niles* "Good communications are essential to co-ordination. They are necessary upwards, downwards and sideways through all the levels of authority and advice for the transmission, interpretation and adoption of policies for the sharing of knowledge and information and for the more subtle needs of good morale and mutual understanding."

4. **Maximum Productivity with the minimum of Cost :** Greater, better and cheaper production is the aim of all prudent management. Whatever may be the form of organisation, Line, Staff, or Line and Staff, today the information passes through a variety of filters and there is always a chance for its misinterpretation. Effective system of communication can play a vital role in avoiding illusion. Further, maximisation of production is to be secured with the minimum of friction and utmost good faith on the part of the workers. The employees

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

shall be told clearly what exactly to do and the way in which an instruction is to be carried out. In this process, certain directions are to be given, certain feelings must be expressed and certain amount of inter-personal perception must be exchanged. For this, management has to sell ideas, motivate the workers to work with a will and build up high moral in the company. Communication, as an influence process, plays a vital role here. It becomes, thus, a part of education, propaganda, leadership and guidance function of the management.

5. Morale-building and Democratic Management : Under an effective system of communication, it is quite convenient for the employees to express their grievances, if any, bring all their problems to the notice of the management and get proper adjustment. The manager must influence subordinates to work with zeal, and confidence and thus build a highly motivated team of subordinates. So it helps for morale-building and democratic management.

In India, most of the workers are illiterate who speak different languages. Here effective communication has to play a special role. The device of communication has to be transplanted with great danger. The workers and all others concerned should be acquainted with the type of organisation and the prevailing system of communication so that we can expect its smooth functioning with productive results. It should be remembered that good communication is very useful in ironing out differences and misunderstandings and thus increasing confidence. In short, communication in management is very much important for quick decisions, proper planning and co-ordination maximum productivity, smooth running of the enterprise and morale-building.

BARRIERS OF COMMUNICATION

Due to faulty communication, large number of managerial problems will arise. Poorly transmitted messages lead to misunderstanding and frictions and also adversely effect employee moral. Some of the important barriers are as follows :

1. Lack of clarity and decision : The lack of clarity or faults such as careless omission, lack of coherence, awkward sentence structures, inadequate vocabulary, etc. leads to costly errors, costly correcting and need for otherwise unnecessary clarifications.

2. Semantic distortion : In the communication process, the sender selects the words according to his own frame of reference and which he thinks will convey the meaning he intends to communicate. The receiver, on the other hand, reads or listens to the message and interprets it within his own frame of reference. Since people differ in their ideas, views, opinions, experiences and knowledge of language, there is every possibility of semantic problems.

3. [1]Premature evaluation : The barrier stressed by Carl Rogers was the tendency to prematurely evaluate communication, rather than to keep an uncompromised position during the interchange. Such evaluation stops the transfer of information, leaving the message sender with a sense of futility. In Roger's thesis, those, who would communicate should be listened to in non-committal, unprejudiced fashion and thus be encouraged to state their full position before any response is generated.

4. Inattention : In schools, colleges, business enterprises and other organisations, failure to read bulletins, notices, minutes and reports is common. The people are not paying proper attention to the oral communication.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

5. **Failure to communicate :** There is every possibility that superiors may fail to communicate correct information at the right time. The reasons are found in well-known human tendencies to be lazy, to assume that 'everybody knows' or deliberately to embarrass.

6. **Fear or resistance to change :** Generally, people adhere to the old pattern and tend to resist change because of convenience, security and other reasons. The massages conveying new ideas may be overlooked by the receiver. Hence, resistance to change is one of the important communication barrier.

7. **Distrust of communication :** There is very possibility that original communication may be modified by the superiors. These naturally result from ill-considered judgements or non-logical decision. If subordinates will lose their confidence in their superior, then there is every possibility of delay in action or they may not act enthusiastically.

OVERCOMING BARRIERS TO COMMUNICATION

For the communication to be effective, there must be proper exchange of information and understanding at all levels in the organisation.

An awareness must be developed in the organisation. The following are important approaches and methods to minimise distortion of information.

1. **Information to the employees :** The employees must be informed regarding objectives, plans, policies and procedures, authorities, etc. This certainly helps to avoid conflicts and misunderstandings. An employee must know company's working environment.

2. **Proper listening :** Whenever the manager gives his own suggestions and viewpoints, he must allow the subordinate to fully express his feelings and emotions and ideas. In order to have free and frank response, there must be sympathetic listening.

3. **Developing proper Inter-personal Relations :** In any organisation, proper relations should be developed between different people working in the organisation. A superior should respect dignity and the authority of his subordinates. He should be kind and sympathetic, on the part of subordinates. They should also respect and trust their superior and inform him about the work and progress in the organisation. In short, status differences should be de-emphasized, valid criticisms and suggestions should be appreciated. There must be a feeling of mutual trust and confidence between superior and subordinate.

4. **Communication through Actions and Deeds :** It should be remembered that actions and deeds often speak louder than words. Whenever information will be communicated by the superiors to the subordinates, there will be the responsibility of both to act according to orders and instructions. An action and the deed both are important.

5. **Use of proper language :** The communication message should be drafted in simple, direct and meaningful language. The use of technical and complicated terms should be minimised as far as possible. This will help to minimise distortion.

---

[1] Quoted by Carl R. Roger's Barriers to Communication Principle of Management – Herald Knoontz and O'Donnell.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

6. Use of the grapevine : In certain cases, information is not transmitted through the official channels communications, e.g. resignation of a top-ranking superior may be communicated through grapevines. The use of grapevine may effect prompt actions. In order to improve effectiveness of communication, grapevine is very useful.

7. Feedback of information : Feedback is very important on improving communication. The easiest way to ensure that communication has resulted in mutual understanding is to observe behaviour and action of the subordinate and notice how far his actions, confirm to the requirements of the message. In order to provide necessary feedback performance reports questions, clarifications, suggestions and proper listening are very useful.

6

MOTIVATION

Motivation is a productivity factor in industry. It is the sum total of managerial science. The most important task of the management is to get the work done by the subordinates and achieve results. Getting the work done depends mainly on whether a person has been motivated to do it or not. Motivating a worker is to create a need and a desire on the part of a worker to better his present performance.

Motivation is an essential part of the process of direction. It is direct and very important responsibility of every manager of the said company or the trade. It is the responsibility of the managers of all levels in the organisation,,to motivate through motivation of employees at the supervisory level, emphasis somewhat different, from those evolved in motivation of executive at middle or higher levels of management. However, managers responsibility for motivation entirely depends upon his authority and the principles or philosophy of the management.There are two types of motivations :

1. Negative Motivation and
2. Positive Motivation.

1. Negative Motivation : Punishments reprimands, fear or loss of job are the methods, where people work in fear. They will tend to produce minimum enough production to remain safe.

2. Positive Motivation : Positive motivation makes people willing to do their work in the best way they can and improve their performance.

In a proper system of motivation, the manager has to provide for the satisfaction of all kinds of secondary needs. Job security combined with social security may held him to satisfy security needs. The techniques of proper promotion and delegating authority help him to get satisfaction of self-development needs. Inviting suggestions from people is likely to give them a sense of participation. Recognition of work through praise and promotion and giving the workers a feeling of worthwhileness is important of satisfying people's need for esteem and self-realisation.

SOUND MOTIVATIONAL SYSTEM

The factors external to the enterprise are responsible to stimulate the people to work. The management must provide them with additional inducements to induce people to work. Since there cannot be a single source of motivation, management should devise a system of motivation within the framework laid down by the enterprise. *Harold Koontz* and *O'Donell*, have suggested four important requisites of a sound system of motivation.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

According to *Harold Koontz* and *O'Donnell*, there are four important requisites of a sound system of motivation.

1. **Productive :** A good system of motivation must be productive. This means that it should be able to induce the subordinates to work effectively and efficiently. It should be productive in the sense that the productivity of the employees should be maximised through it.

2. **Competitive :** A sound motivation system must be competitive so that the cost of the system at the margin is not allowed to exceed its productivity at that point. In devising a scheme for motivating employees, this basic principle must be kept in mind. A business enterprise is established with the object of making profits through the efforts of satisfied employees.

3. **Comprehensive :** A proper motivational system must be comprehensive. This means that the system must take care not only of the basic needs of the subordinates but must also meet the higher needs of employees. Also, the system must cover the people in the organisation at all levels.

4. **Flexible :** A sound motivational system must be flexible. The system should be suitably adjusted with changes in the situation and in the state. The individual differences among people must be duly recognised and the system should be so devised that the individual character of each sub-ordinate is taken into account.

It should be noted that motivation has its origin in motives without the individual that stimulates him to action and particular way of behaviour. It lack of knowledge about human motives will fail to motivate. There are certain other complications also. There are certain hidden motives of which people are not always properly aware of with the result that cause might be mistaken for effect or vice-versa.

IMPORTANCE OF MOTIVATION

Motivation is a productivity factor in industry. It is the sum total of managerial science. While trying to motivate employees towards the accomplishment of enterprise objectives, the manager attempts to make work satisfactory for the people. According to W. S. Gellerman, there are at least three good reasons why it should do so:

1. It may lead to more profitable operation because motivation is always goal-directed. Hence, the greater the motivation, the better will be the chances for the attainment of higher level of productivity.
2. It will be the best remedy for resistance to change, restriction, of output and strikes. Satisfied workers are motivated to work for the enterprise goals and are therefore, more receptive to any changes that the management wishes to introduce.
3. The effective use of human resources is the central problem of management and motivation could well be regarded at the core of management. Without motivation, the workers may not put in their best and may seek for the satisfaction of their needs outside the organisation.

In short, motivation is management function which deals with sentiments and emotion. It ensures fair remuneration, and it gains momentum under able supervision.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

7

STAFFING

INTRODUCTION

Staffing is a very important part of management. In a going concern, the staffing function is continuous. Staffing comprises those activities which are essential in managing and keeping manned the position provided by the organisation structure. Staffing included the task of defining the requirements of people for the job to be done, selecting suitable or efficient persons for positions, and training and developing both new recruits and old ones to accomplish their tasks as effectively as possible.

The manager has to see that he has sufficiently well-trained subordinate executives to fill various managerial positions. The planning of executive of managerial resources, the planning and administration of management development programmes, the appraisal of executive performance and executive compensation administration are all parts of staffing function of management in a well-established concern. [1]Lawerence Apples observes; "managers would be more skilled and more competent if they were carefully selected, specifically trained, continually kept up-to-date on their field of activity, guided on their development for the assumption of greater responsibility, adequately rewarded".

IMPORTANCE OF THE STAFFING FUNCTION

Staffing is the executive function which encompasses the recruitment selection, training, promotion and retirement of subordinate managers.[2] The entire management machinery revolves on efficient and adequate staffing. Staffing and direction are concerned almost completely with people. Staffing is becoming significant because the need for able managers is increasing day-by-day. Due to the growing sizes of business, complexing of administration and the intensity of competitions more and before-trained executives are required. The vast impact of more state interference in the economic life of the country and the growing trade unions increases the need for more and better managers. Well trained, capable executives are required as professional managers to make decisions on many areas which will vitally affect the owners, the employees and the community on general.[1]

RESPONSIBILITY FOR STAFFING

The responsibility for staffing rests upon the chief executive and those of his immediate subordinates who compose the external policy making group of executive. They also perform the duty of developing policy, assigning its execution to subordinates, and making certain that it is being properly carried out. In policy-making they must consider how to develop a staffing programme. Whether to promote from within or secure managers from without where, to seek candidates, which selection procedures to follow, whether training should be formalized, and what promotion and retirement procedures to follow. Once staffing policies have been set, putting them into effect can be assigned to any department head. Normally, the personnel director is selected for this purpose because he has the facilities and procedural knowledge.

1. Management in action—Lawrence A. Apply. pp. 31.
2. Principles of management—Herold and Koontz O'Donnell page 376
1. Business Administrating and Management – Dr. S. C. Saksena (1970) (p. p. 476)

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

RELATION OF ORGANISATION STRUCTURE TO STAFFING

The number of managers required in an enterprise depends upon its size, complexity of the organisation structure, its plans for expansion, and the rate of turnover in managerial personnel and the ratio between the number of managers and the number of employees does not obey the law of proportion. According to Koontz and O'Donnell, "It is possible, by enlarging or contracting the delegation of authority, to modify organisation structures so that the number of managers in a given enterprise will increase or decrease."

The rate of annual appointments to executive positions can be readily determined by a review of past experience and future expectation. Analysis will also reveal the relative importance of retirement of age and vacancies created by ill health, demotions and separations, the national defence effect, and the steady demand of other enterprises for able young subordinates whom the firm has trained but is unable to hold.

PRINCIPAL SOURCES OF MANAGERIAL PERSONNEL

The following are the principal sources of managerial personnel :

1. **Promotion from within**[2] **:** Promotion from without implies that advancement into managerial positions will proceed from rankers, or workers, into front-line supervisory positions and hence, upward through the organisational hierarchy. Thus, the firm is pictured as receiving a flow of non-managerial employees from among whom future managers will emerge.

Making promotions from the personnel within the firm not only has positive values regarding moral and goodwill of the firm, but it also permits the firm to take advantage of the presence of potentially fine managers among its personnel. However, it should be remembered that exclusive reliance upon a policy of promotion from within is dangerous to the welfare of the firm.

2. **Selection of key executives from outside :** Key executives are men who make the functional, service and stab departments operate with vigor and efficiency. The key executive is mostly at the top of the organisation structure. His plans, policies and judgement are very important. In order to avoid internal problem and complications and to have vision, new ideas and new applications, key executives are selected from outside.

3. **Trend towards Formalizing Managerial Development :** The importance of management is increasing rapidly. In order to make successful its executive, candidates are recruited; this recruitment will give better result as compared to the trial and error method. Well trained and capable executives can take proper decisions in many areas. A management training scheme should be introduced in all companies, and it will be found that this training scheme will become the pivot around which will help to build the future management team of the company.

2. Principles of Management – Herold Koontz O' Donnell.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

8

MORALE

INTRODUCTION

Morale is an intangible factor and relates to the condition of an individual or group with regards to its determination, confidence and enthusiasm in the performance of duty. It is sometimes defined as moral condition of an individual as regards discipline and confidence in relation to his job. Morale can be viewed as a dynamic phenomenon relevant to all levels and classification of employees and can be understood as the sum of qualities reflecting real, courage and confidence, in performing the duty or assigned task.

Supervisor's chief function is to develop the people and integrate them into a co-operative team. To accomplish this, he must feel the right way, know the proper technique and act in an appropriate manner.

High morale is one of the essentials for effectiveness in the office or factory as in the army seemingly impossible things can be achieved. Formula for morale in army is patriotism, self-respect, discipline, self-confidence coupled with fair treatment and appreciation.

Good morale is based upon a feeling to having an essential part although a small one in a worthwhile organisation, must feel that his superior is willing to help and has his true interests at heart, he must be interested in the work of the enterprise.

DEFINITIONS OF THE TERM 'MORALE'

1. *Dr. William R. Spriegal* : "Morale means the co-operative attitude or mental health of a number of people who are related to each other on some basis ".
2. *E. F. L. Breach* : "Morale may be described as a readiness to co-operate warmly in the tasks and purposes of a given group or organisations."
3. *Webster* : "Morale is a condition as effected by, or dependent upon, such mental factors as zeal, spirit, hope, confidence, etc."
4. *Alexander H. Lighten* : "Morale is the capacity of a group of people to pull together persistently and consistently in pursuit of a common purpose."
5. *M. S. Viteles* : "An attitude of satisfaction with a desire to continue in and willingness to strive for the goals of a particular group of organisation."

DEVELOPING INTEREST OPPORTUNITY

1. Show the relation of specific to the whole, explain why and how of policies.
2. Make work as creative as you can.
3. Be considerate,
4. Give public recognition and show appreciation of the work well done.
5. Appeal to pride in workmanship,
6. Monetary Incentives and other benefits,
7. Working facilities and amenities. - such as transport facilities,
8. Say 'your job' 'your paper' and also 'our team' 'our work',
9. Make work active, lively, vital,
10. Remove monotony and repetition.
11. Look at the job from employee's point of view,
12. Study the job, where high turnover occurs, re-design the job so as to get job satisfaction,
13. Involve each person's feelings, letter on a birthday, conventions, annual social sports, competitions etc.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

CLIMATE OF MORALE

Each work group, department, company has its own climate. You do not create this climate but you have to do a great deal with it. Much depends on challenging and satisfying experiences or a situation of drudgery.

Climate is made up of the feelings and beliefs, attitudes, behaviour, temperaments, their relations with one another, individual characteristics, formal policies, procedures, rules, codes of conduct of the particular business. It is warm and friendly, or filled with suspicion and fear.

The ideal climate is when it is both pleasent and effective for human growth and happiness and possible when:

1. Each individual understands his work and how it fits into company's objectives.
2. Much satisfaction comes from work itself from the pride of workmanship.
3. Setting standards of good work to individual and group.
4. Good work should be recognised and rewarded, but work less than good can be adjusted and not overlooked.
5. Interest in work develops gradually and should be cultivated.
6. Work becomes meaningful when accepted as part of one's life, e. g. work becomes meaningful when we will say, our work, our machine, etc.
7. The individual should have room to make judgements, choices, adjustments concerning his work.
8. Employee's confidence in and respect for the supervisor are important in effective relationship.
9. Team-work is the result of broadening the interest of the individual to include the whole group. Team-work is not achieved when they do not seek the object of the task and when they feel that others are not co-operating. Team-work springs from satisfying relationships on the job in the daily associations with colleagues and the boss. Feelings and sentiments of employees crystalize the group attitude towards the company.

According to *Mc Gregor*, "Economic considerations after retirement would be less attractive than double payment for work on Sunday."

10. Good communication is basic to sound relationships between individuals and groups and between groups and organisation.
11. A genuine sense of participation is a foundation stone of good morale.
12. Do not blame and scold the wrong person. To scold all servants for the wrong done by one or few is not desirable.

REASONS FOR LACK OF INTEREST

1. Failure to delegate responsibilities
2. Laziness
3. There is no future
4. Too many bosses
5. No training

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College of Education Bantalab Jammu

6. Poor team-work
7. Bad working conditions
8. Too much overtime
9. Unequal division of work
10. Lack of proper equipments and amenities
11. Home sickness
12. Low wages
13. Lack of leadership on the part of superiors
14. Partiality in treatment
15. Discrimination in pay and allowances
16. Poor planning by foreman
17. Jealousy
18. Too detailed supervision.

In any organisation, the above defects must be removed. We should introduce interest opportunities so that there will be high and good morale. Morale is undermined when lines of authority are 'short circuited' thus ignoring the middle authority. This could be avoided by proper communication. The intermediate persons status should not be undermined. Through him, or in his presence, orders should be given.

Money grabbing, luxurious spending and personal advancement by superiors may also undermine morale.

Supervisors and superiors must set good examples and respect law and order. Rules should not be applied discriminately.

MEASURING EMPLOYEE MORALE

The basis af observation or attitude surveys held in ascertaining employee morale. A manager may observe the actions, activities, trends, changes in personal characteristics, attitude and behaviour of his assistants of subordinates and on that basis determine the level of their morale. Changes in willingness to co-operate should be more particularly observed. The management should observe these things objectively.

The attitude surveys through personal interviews or use of printer questionnaires is another method of ascertaining employee morale. Members may be asked to supply information regarding working conditions, supervisors objective of enterprises etc. These survey should be repeated at regular intervals. The result of the survey man also be communicated to the members.

There are certain other tests which can be profitably employed to measure employee morale:

1. Level of Productivity :

If the overall productivity is increasing, it is a symbol of high morale. But there are limitations of this touchstone. It is quite possible that the output may increase even under conditions of low morale or, irrespective of high morale, output may not increase. According to the findings of the *Institute for Social Research of the University of Michigan,* "High productivity is not necessarily a function of job satisfaction or morale. If we distinguish between organisational goals and personal goals then those people who find satisfaction of

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2023-Grant

Gandhi Memorial College Of Education Bantalab Jammu

their own personal needs by meeting the goals of the organisation for which they work are more likely to be highly productive. It is, however, possible for people to be satisfied with their jobs although they contribute little towards meeting the goal of their organisation. It is also possible for a group of employees to have high morale because they are able to accomplish group goals, although these are not necessarily related to productivity."

2. **Employee attitude towards Organisation :**

This can be ascertained in a number of ways, e. g.

(i) **Absenteeism :** Greater absenteeism is generally a sign of low morale, but genuine case of absenteeism (e. g. sickness, death of near and dear ones, etc.) are its exceptions.

(ii) **Number of accidents :** Low morale usually leads to more accidents. In case of high morale, the employees are conscious of their responsibilities and hence the number of accidents is reduced.

(iii) **Grievances :** If insignificant issues are raise to the statue of grievances and their number is large it is a sign of low morale. Absence of complaints and grievances reflects upon the high morale of the employees.

MOTIVATION AND MORALE

Motivation embraces different aspects of behaviour such as desires, aspirations, needs, control, etc. Motivation actually helps in reducing of eliminating tension. Motivation controls and guides the human behaviour.

Motivation, however, should be distinguished from morale though these concepts relate to both individuals and groups. Morale denotes attitudes, judgements, feelings about the work job, company supervision, etc. all pertaining to the interests of individual or group. On the other hand, motivation indicates propensity for particular behaviour patterns reducing or satisfying certain needs including tension. In the words of *Ralph M. Strogdill*, Motivation is a function of drive and confirmed destrability estimates regarding various alternative satisfaction, whereas morale is freedom of restraint in action towards a goal. Thus, an individual or a group may be highly motivated but unable to act. With freedom to act, the degree of morale may be highly related to the strength of motivation. Morale may, in a sense, be thus regarded as motivation demonstrated in over-action towards a goal. Motivation then provides potential for morale.

Morale is a resultant state encompassing the willingness of co-operate and expressing the degree of integration existing between convicting interests. Motivation is an active force directing behaviour by (a) causing individuals to seek one of several available goals and (b) causing individuals to seek certain goals not present at the moment. However, it should be remembered that problems of motivating employees and that of maintaining high morale are more or less similar. Either to change morale or motivation the inner behaviour of individual or group is required to be changed but to know to what extent an employee has been motivated or his morale has been raised is not to be surveyed but to be observed through the intervention of executive in the behaviour of such subordinates.

In short, motivation is intimately connected with morale. Good motivation leads to high morale. Poor morale is the manifestations, of a weak or defective motivating process.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Morale is frequently assumed to be associated with higher performance, greater satisfaction and increased production. A high morale always results in high productivity whereas a low morale automatically results in high productivity. However, research has shown that the relationship between the two is not so direct and positive as that. Morale is only one of the factors of productivity. It is possible to find high morale related to low productivity and low morale associated with high productivity. In fact, morale and productivity may be related to each other in the following four possible ways.

A	High productivity High morale	High productivity Low morale
B	Low productivity High morale	Low productivity Low morale

High productivity goes with high morale when the workers are motivated and the supervision is of the right type (i.e., the supervisors treat the men with consideration). In fact, high productivity may push up productivity.

This is an ideal state and makes the best possible use of human potentialities. In practice, this state may not be very common. Since morale is a state of human behaviour to sustain such a state of affairs. An exactly reverse situation could be that of low morale and low productivity. High morale and low productivity will go together when the men are different in training and the supervisors are not management, uses penalties and punishment and provides better equipment to the workmen. But it must be remembered that high productivity with low morale cannot be sustained for long since the will to work is of very great importance that shows that worker's attitudes towards the job, the supervisors and the organisation and its policies is an important factor. High productivity cannot be sustained for long without a high morale.

It should be remembered that research has not yet proved either that there exists no positive relationship whatsoever between morale and productivity or that the management can afford to overlook the problem of employee morale without producing any adverse consequences.

9

ORGANISATION STRUCTURE

Organisation structure is primarily concerned with the allocation of tasks and delegation of authority. Organisation structure is the frame-work within which the full process of management function finds its play. The structure must be built upon a strong foundation so as to give necessary strength to the business.

Dynamic Organisation Structure : Organisation structure should not be static. An enterprise operates under a highly dynamic environment where technological, social, political and economic scene in which it operates, and the people managing the organisation, are continually involved. This calls for adopting the organisation structure to changing conditions so that it can survive and grow. The need for redesigning the organisation structure arises whenever there is a change in economic functions. Intense competition may require profit decentralisation and provision of better service to the people. Economic considerations may favour vertical disintegration of a particular process. Such changes in

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

economic functions influence the organisation structure largely through changing the jobs. Similarly, capacities of the people working in the organisation grow, change and diminish. In order to accommodate these changes in the organisation, the structure should be partly modified, so that it can adjust to changes in the abilities, ambitions and attitudes.

Designing the Organisation Structure : Organisation embraces the duties of designation, the departments and the personnel that are to carry on the work, defining these functions and specifying the relations that are to exist between departments and individuals. There are no such rules as when followed will lead to the best organisation structure. However, the following steps can be of great help in designing a suitable structure and in achieving enterprise's objectives. The various steps in organisation structure can be stated as follows.

1. **To determine objective :** This is the first step in building ideal organisation structure. It will consist in deciding as to why the proposed organisation is to be set up and also the nature of work. The objectives should be in very clear terms. They may be short-term or long-term and it will depend on the nature of the work to be performed. This will help determine the type, stability and basic characteristics of the organisation.

2. **To enumerate activities :** An industrial concern may be divided into the following major functions :

(i) Production
(ii) Financing
(iii) Purchasing
(iv) Sales and
(v) Personnel.

According to these activities, the work of an industrial concern may be enumerated

3. **To classify activities :** According to similarities, common purposes and functions, and taking the human and material resources into account, activities will be classified. For each class of activity there may be a department or section. For example, sales department, purchase department, etc.

4. **To fit individuals into functions :** The next step will be to fix suitable and well qualified persons into these activities. Each person in the group will be given specific part of the job to do and will be made responsible for the same.

5. **To assign authority for action :** The delegation of authority to take steps to complete the assigned part of the job is the next step in organisation.

6. **To prepare an organisation manual.**

7. **To prepare standard practice instructions.**

8. **To revise the system on the basis of assessment of personnel and funds :** The last step in developing an organisation structure is to assess the capacities and abilities of the people available to man different positions in the organisation together with the other resources at the disposal of the enterprise.

While developing the organisation, each enterprise should be viewed as a separate case and developed accordingly. The important factors to be considered while developing an organisation structure are business objectives, nature of work, scale of operations, local conditions and character and abilities of personnel available.

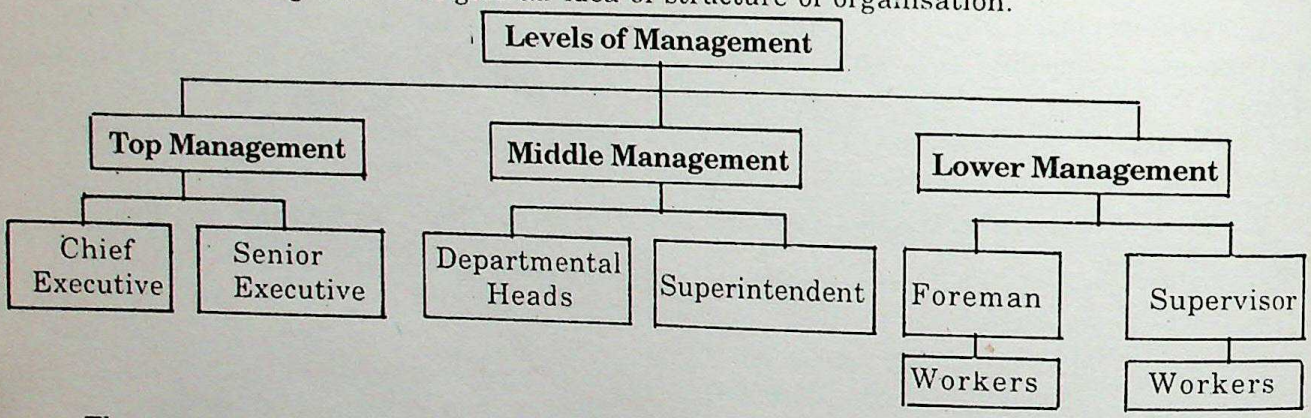
CC-0. Panini Kanya Maha Vidyalaya Collection. Digitized by eGangotri Digital Preservation Foundation Chandigarh Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The Nature of Organisation Structure :

The organisation structure differs from company to company. However, certain general principles can be derived from experience. At the bottom of the structure, workers are involved and therefore, the lowest base of the structure is bound to be a very large one. The structure becomes narrower as we go higher from the bottom base simply for the reason that the need for operating personnel is reduced at higher level whereas the amount of leadership, planning and other managerial and administrative activities to be performed are increased. Activities involved at higher level are concentrated in few hands.

The management structure begins from the chief executive down to the workers of all levels. The following chart will give an idea of structure of organisation.



The top management level consists of one person designated as Chief Executive or the President. Under him there is the General Manager or Vice-President. The major activities are carried on by the Senior Executives in the enterprise. Top management also consists of corporation secretary, sales manager, purchase manager, finance manager, etc.

The middle management consists of departmental heads and superintendents, may be called as junior officers. The burden of operations in the middle management is carried on by junior officers such as purchasing agent, head of transportation, head of production, control department, office manager and works manager.

IMPORTANCE OF SOUND ORGANISATION STRUCTURE

The importance of a sound organisation structure can hardly be over-emphasized. An organisation is not merely a chart or a lifeless structure. It consists of people and is the agency through which management performs the important functions of direction, co-ordination and control. In this sense, it is the foundation of management as well as its chief tool.

Sound organisation is important because :

1. It facilitates administration,
2. It makes growth and diversification possible,
3. It provides for the optimum use of technological improvements,
4. It stimulates independent, creative thinking and initiative through well-defined areas of work.

If the organisation is not sound enough, it can cause a number of administrative problems such as delay or failure to act, even wrong decisions may be taken. Sound organisation also helps in growth and diversification with proper delegation, it avoids over-loading and fixes supervisory responsibilities, thus controls quantity as well as quality. When a work becomes

CC-0. Panjab University, Chandigarh. Digitized by eGangotri Funding by MoE-IKS

Gandhi Memorial College Of Education Bantalab Jammu

the responsibility of an individual and all the time he has to do the same work, it certainly encourages him to think in terms of improvement and thus, increases initiative in that area of work. Thus, it can be safely included that organisation is the chief tool of management.

METHODS OF IMPROVING THE ORGANISATION STRUCTURE

It must be noted that organisation must be flexible enough to suit the changing requirements. It is likely that because of the complexity of functions, there may be duplication, imbalance or undue pressure on sections or departments. Such defects do crop up in the organisation. There are various methods by which organisation structure can be modified.

1. **Developing 'O' and 'M' Departments :** In case of a large scale organisation, it may be advisable to develop "Organisation and Methods Department." This 'O' and 'M' department is expected to suggest suitable modifications in the structure. It is accepted as a specialised and continuous function.

2. **Committee Method :** It may be possible to appoint a committee of officers to suggest modifications. The committee will closely study the existing organisation chart and suggest some modifications.

3. **Use of Outside Consultants :** Consultants may have wide experience and unprejudiced and scientific approach of solving a problem. So, they can study the existing structure and suggest suitable modifications.

4. **Caution :** The organisation structure should not be frequently changed. People must develop faith in the structure. Secondly, management should be progressive and the structure should not be given undue importance. If structure itself leads to inefficiency or delay, a fresh look at it is absolutely essential.

PRINCIPLES OF ORGANISATION STRUCTURE

The organisation, conceived in its structural aspect, provides the framework in which management operates. It is this structure which represents the formal picture of internal working mechanism of a business. The purpose behind formally formulating this structure is to facilitate the smooth flow of work, rapid communication, harmonious mutual relationships and co-ordinate activities. The principles given below are all designed to subserve these objectives.

1. **The Principle of causation :** The creation of a business, run by means of organised human activity, is based on the motion. The productive effort of an organised group of people is greater than the sum of their individual efforts. For example, let P, Q and R be the outputs of three workers working individually. Then we can put: $P + Q + R = O_1$ is the output obtained by adding their individual outputs. Now, let them be grouped and set upon a common task. We represent this as $(P + Q + R) = O_2$, where O_2 is their total output. This principle of causation says that O_2 is greater than O_1. If this principle be ignored, mere is no use of building up an organisation.

2. **Principle of Conviction :** Since the organisation is managed by human beings, they must be driven by sense of faith and conviction in the purpose and existence of the organisation. It is this conviction in the worthwhileness of the organisational set-up which will form the core of an abiding loyalty of employees. The structure must be able to breathe this conviction aud infuse people with the same.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. Principle of Standardisation : The organisation should provide for standard practice and procedure for routine and repetitive activities. This will economise time and cost. Detailed methods of performance and standards of quantity, quality, cost, time and efficiency should be incorporated into standardisation.

4. Principle of Objective : Every organisation must have a clear idea about its objectives. Every function, operation, job or work and their sub-parts should be distinguished from each other by defining its specific objectives. The objective which the organisation stands for must be comprehensible and placed in the proper perspective. The overall objective must be suitably broken upon into sub goals in terms of separate departments and individual employees. Besides these, sub-objectives must be attainable, highly valued and integrated to the overall objective. The organisation structure should be able to achieve these requirements.

5. Principle of Direction and Control : This is one of the important principles of organisation structure. Effective direction and control depends upon the climate of leadership and motivation built into the organisation structure. Direction implies laying down the course of action to be followed, and control implies checking and examining whether this course of action is being correctly followed or not. Laying down of appropriate course of action will depend upon the ability of the leader in the organisation. Their ability, in turn, will depend upon how far the organisation allows the development and use of leadership qualities. Effective control is also dependent upon how effectively the employees are motivated. Well motivated employees exercise a lot of 'self-control' which greatly facilitates formal control.

6. Principle of Authority : In order to perform functions, it is necessary to delegate powers or authority to individuals. The principle of authority is used for decision-making, giving instructions and guidance, appointing personnel and controlling performance. In order to enable the authority to discharge properly the role expected of it, the following points are to be emphasised,

(a) Too many levels of authority should be avoided.

(b) Point of authority and action should be as close to each other as possible.

(c) Too wide a span of control should be avoided.

(d) Overlapping areas of authority should be minimised.

(e) Authority must not be obdicated.

Each of these points is a structural aspect and must be incorporated into the structure.

7. Principle of Responsibility : Under this principle, authority can be delegated by a superior executive to his subordinate, but ultimately, responsibility or accountability cannot be delegated. The nature and scope of authority may change, belt responsibility cannot change. Every person must know the extent of his responsibility for performing a particular function. In order to avoid cautions and irresponsible behaviour, responsibility should be clearly defined.

8. Principle of Division of Labour : Under this principle, work is allocated to the worker after taking into consideration his ability, skill, qualification, experience, aptitude, etc. It is a time honoured maxim that joint endeavour is more efficient when the tasks are sub-divided scientifically and allotted to employees so that they achieve specialisation in limited task areas. The organisation structure is the formal means to achieve this division of labour in a business.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

9. **Principle of Delegation :** In order to implement planned work, delegation of authority to individuals becomes necessary. In order that delegation proceeds systematically, the following points should be taken into account.

(a) The delegator must have the power to delegate,
(b) The delegatee must be able to handle the task,
(c) Commensurate authority and responsibility must accompany delegation.

10. **Principle of Structural Unity and Balance :** When the structure finally evolves, it must be checked as to whether the different levels, departments, functions, and employee groups have been properly integrated into a balanced whole or not. It must be seen that no one function or department is over emphasised at the cost of an other function. Principle of balance implies that each portion and function of an enterprise should operate with equal effectiveness in making its allotted contribution to the total purpose.

11. **Principle of Personification :** Lastly, the organisation structure should not present the picture of a lifeless, rigid mechanistic device. It is concerned with and deals with human beings. The latter must feel that they are working in a human environment which is feeling and perceptive. This will contribute to the improvement of employees morale and motivation.

12. **Principle of Unity of Command :** A basic management principle, often disregarded for what are believed to be compelling circumstances, is that of unity of command. It may be stated: the more completely an individual has a reporting relationship to a single superior, the less the problem of conflict in instructions and the greater the feeling of personal responsibility for results. In discussing delegation of authority, it has been assumed that except for the inevitable instances of splintered authority, power over a particular activity will flow from a single, superior to a subordinate. Although it is possible for a subordinate to receive authority from two or more superiors and logically possible for him to be held responsible by them, the practical difficulties of serving two or more masters are obvious. An obligation is essentially personal, and authority delegated on by more than one person is likely to result in both authority and responsibility. Moreover, unless a manager has total authority to hold his subordinate responsible, his position becomes undermined.

The principle of unity of commands is useful in the clarification of authority-responsibility relationships. A president, for example, does not normally divide sales activities among sales, manufacturing, public relations, finance, accounting, and personnel with no single person responsible for them. Instead, since sales is a cohesive activity, he assigns it to the sales manager. Unity of command would not exist if, instead of a single sales manager, the president appoints an executive committee to run the department. To force every major subordinate in the sales department to owe his full obligation to each committee member, rather than to one manager, would produce confusion, buck passing and general inefficiency. Similarly, it is undesirable to have several managers to assign duties to one employee, who then would be obligated to each of the managers.

10

FORMAL AND INFORMAL ORGANISATIONS

1. **Formal Organisation :** A large industrial organisation which has been designed by management for specific purposes is called a Formal Organisation. The lines of authority, channels of communication, and patterns of interaction within the formal organisation are all supposed to occur in accordance with its design.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Characteristics of Formal Organisation :

The following are the characteristics of a Formal Organisation :

1. Under formal type of organisation, authority, responsibility and accountability are so well defined as to enable every person in the organisation to accomplish his work effectively. The organisation is not only stable but also characterised by well defined rules and regulations and is also bound by delegation.

2. In a formal organisation, every individual is expected to adjust himself to the organisational set-up. This being an arbitrary structure, every employee in the organisation is directed as to what he should do, how he should do, what orders he should obey and how he should perform his job in co-operation with others.

3. It facilitates the determination of objectives and policies. Since the power and rights of each individual are well-defined, they can develop their own work to the maximum extent without encroaching on the work of others.

4. Communication among the members of a large formal organisation is not nearly so good as it is within the small primary group, and the status of every individual cannot be easily observed by all the others of the organisation. A man in one department usually knows very little about the activities of a man in another department, so he cannot readily see his own position on the formal social ladder. In such circumstances, status within the formal organisation can only be revealed by means of conspicuous and often rather trival external signs. These signs have come to be known as "Status Symbols".

5. It should be noted that the formal organisation lays certain limits on the activities of people under this system. But whatever work is done by an individual it is part of a larger pattern. He can never see the beginning and the end of the work under a formal organisation system. In this type of organisation, every individual is working 'blindly'.

6. It is also noted that principles of co-ordination are strictly observed, and as a result, of the same, people must form committees to discuss their mutual problems jointly. Internal checking with one another is so common that any fault in the work is immediately to faced. Lastly, it can be said that the amount of money received for a certain type of work has become a symbol of prestige within the formal organisation, and hence, a symbol of a man's status.

Informal Organisation : Informal organisation is an important concept. Informal organisation refers to what people do on their own accord in relation to their needs, emotions and attitudes. Because of friendship, kinship or some other close relationship, human beings associate themselves in groups of their own choice, and this grouping of persons often runs counter to the division of men into departments and units. People are not bound by procedures and regulations. Under this type of organisation, likes and dislikes are more important than delegation of authority and responsibility. Freedom of action is the salient feature of this organisation. Informal organisation may extend not only to individuals but also to groups within and outside the organisational set-up.

Barnard viewed an informal organisation is a joint personal activity without concious joint purpose, even though, possibly contributing to joint results. *Keith Davis* regards an informal organisation as the network of personal and social relationships which is not established or required by formal organisation. Thus, an informal organisation comprises the whole set of customs, social norms and influential ideas

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Digitized by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Characteristic Features of an Informal Organisation :

The following are the characteristic features of an informal organisation :

1. It develops spontaneously and is not established by formal managers.
2. It is based on informal authority that attaches to the person not to the position. Informal authority is earned and not delegated. This authority under informal organisation largely flows upward or horizontally.
3. Informal organisation provides satisfaction for social needs.
4. Informal organisation provides good channels of communication for motivating human beings.
5. Informal organisation maintains certain standards of conduct regarding performance of work favourable or unfavourable to management.
6. Informal organisation has powerful influence on productivity and job satisfaction. It helps to provide training to newcomers. It provides satisfaction and stability to workmen.

In conclusion, it can be said that informal organisation is not harmful to formal organisation. It provides support to the formal organisation structure. It has to supply personnel and social satisfaction to the members of the organisations. In order to minimise the negative aspect, managers should influence informal organisation so that its role will become positive.

11

ORGANISATION CHART

An organisation chart is one in which the relationship existing between various personnel is diagrammatically represented. It enables a person to see the organisation as a whole and to study the interdependence of the various functional aspects of the business unit. It indicates the place of each employee in the organisation and his relationship to others. In other words, it outlines the overall structure of the organisation, its distribution of functions, its levels, its individual positions, lines of authorities and accountability. It is very helpful for internal organisation.

In any organisation, work is determined and divided among the employees. The work of all should be co-ordinated. These are the important steps in any organisation. The assignment of duties means that some persons must have authority to assign duties and some others must carry out such duties. There will be lines of authority and subordination. These lines indicate the position of each employee in the hierarchy of the organisation. If they are represented on a diagram, we get an organisation chart.

Steps in the preparation of an Organisation Chart

There are three steps in the preparation of an organisation chart.

1. Division of work into small parts and assignment to functional heads. This leads to delegation of duties.
2. Co-ordination of all the functions.
3. Standardization of operations.

The organisation chart indicates vividly, major departments and divisions of the enterprise, there authority relationships and their hierarchical importance. The charts may be divided into master charts and departmental charts.

Master charts include the basic pattern of the structure with its major units and lines of formal authority.

Departmental charts indicate the organisational arrangement within the prescribed area of each department of the enterprise.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

TYPES OF ORGANISATION CHARTS

1. [1]Top-to-down vertical chart
2. Left-to-right chart
3. Circular chart.

Left-to-right charts : This type of chart indicates the levels of organisation in details and explains arrangement of organisation in a simple way. This chart is prepared in left to right direction. It can be constructed easily. In order to show a lengthy chain of command, these charts are very useful.

Circular charts : This type of chart stresses the pivotal position of the chief executive and the flow of normal authority from the centre to all directions. Through the constructions of inner circles, the levels of management can be indicated properly by the chart. The main characteristics feature of this chart is that this chart can be studied from any side and one can arrive at the central point.

Organisation charts should be simple and flexible. It is simple and capable of being changed early. But it should not be changed frequently. Only changes for the purpose of expansion or contraction are permitted.

Principles of Organisation Chart :

The following are the principles of an Organisation Chart :

1. Lines of authority should be observed by the top management in dealing with subordinates.

   The organisation chart must clearly show the lines of authority and subordination. It should define the lines of position. Vertical and horizontal lines are used for this purpose.

2. Lines of authority should be observed by subordinate in dealing with superiors.

   Individuals should receive instructions only through their immediate superiors. There should be no skipping of links. There must be an unbroken line of authority from top to bottom.

3. Organisation Charts should define lines of positions.

   Line of position of each individual should be very carefully defined. Both the top management and subordinates should observe the lines.

4. Two or more persons should not have identical authority and responsibility.

   No duty should be assigned twice. No person should be directly responsible to more than one person. He should not serve two masters.

5. Avoid undue concentration of duty at any point.

   All persons should be acquainted with their duties and their administrative relations to others with whom they come into contact.

---

1. Functional organisation chart may be referred as Top to down verticle chart.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

6. Importance should be given to the balance of organisation.

   The organisation chart must ear above personalities. Position should not be assigned to an individual because of relations with the top executive.

7. There must be few subordinates for each executive officer.

8. Organisation charts should be simple and flexible.

Advantages of Organisation Chart

The following are the advantages of Organisation Chart :

1. **Clear understanding :** An Organisation chart provides a clear understanding of how members of the enterprise and their work contribute to the organisation as a whole.

2. **An understandable framework of authority :** An organisation chart stimulates the execution of activities and the development of individual capacities by providing an understandable framework of authority within which to carry on the activities.

3. **Sufficient time for planning and policy formation :** It provides execution with more time for planning and policy formation by assuring them that all operating details are provided with.

4. **Enforcement of accountability :** An organisation chart gives importance to the unity of command and avoids overlapping of authority and responsibility. Thus, it makes possible to enforce accountability upon each individual.

5. **Useful for training :** An organisation chart specifies the nature of authority rested in each position; it makes the new incumbents of different positions aware of the awaitable authority and its limits. Naturally, managerial training is greatly facilitated by organisation chart.

6. **Information to outsiders :** The organisation chart provides information about the organisation to the outsiders.

Limitations or Drawbacks of Organisation Charts

1. **Delay in acting :** There is every possibility of delay in acting due to overlapping of responsibilities.
2. **Wrong actions :** Wrong action can be caused by overload of work resulting from inadequate delegation of improper or incomplete job specification.
3. **Wastage of efforts :** Wastage of efforts can result from failure to define job and failure to define limits of responsibility.
4. **Human relationship :** Human relationship cannot be precisely charted out because real relationship is not revealed. In other words, organisation charts can only depict formal authority relationships between managers, but there are many important informal and informational relationships in a structure which defy presentation on the charts.
5. **Outdated Charts :** Organisation charts have a tendency to become outdated after a laps of time. Outdated charts are useless for information and guidance purpose.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

12

SOURCES OF FINANCE

Every business enterprise requires fixed or long term capital and working on short-term capital. Fixed capital is required for acquiring various fixed assets e.g. land, building, machinery, furniture etc. Working capital is required for meeting day-to-day expenses of the enterprise. Fixed capital is raised from money market.

The sources for finance for an enterprise can be many and diverse. In the case of Sole Trading Concern, the main source of finance is individual proprietor. In partnership, the various partners contribute the fund. A joint stock company, however, requires vast amounts of capital and must therefore, resort to all sorts of methods for raising the necessary funds and tap all kinds of sources for the purpose.

Long Term, Medium Term and Short Term Capital

Long Term Finance : It is usually capital required for more than five years to twenty years. Long term finance is essential for permanent investment in fixed assets required for establishing an enterprise or for extensive expansion. A company may raise long term or fixed capital from the sources like issue of shares and debentures, public commercial banks, specialised financial institutions, ploughing back of profits etc.

Medium Term Finance : It is a capital raised for a period ranging from one year to five years. It is usually for permanent working capital and for normal extensions and replacement of assets. A company may raise medium term finance from the sources like Issue of preference shares, Issue of debentures, public deposits, bank loans, assistance of special industrial finance institutions etc.

Short Term Capital : It refers to the funds required for a period less than one year. It is meant for meeting variable, seasonal or temporary need of Working Capital. A company may raise short term or working capital from the sources like private deposits, public deposits, banks, ploughing back of profits etc.

Thus, broadly various sources of finance can be classified as follows :

1. Issue of shares
2. Issue of debentures
3. Public deposits
4. Indigenous bankers
5. Ploughing back of profits
6. Special financial institutions
7. Trade creditors
8. Instalment credit etc.

13

PROMOTION OF EMPLOYEES

Promotion means the assignment of a position of higher responsibility to an individual. Promotion is also regarded as the advancement of an employee to a better job - better in terms of responsibilities, more prestige or status, greater skill, higher salary and more privilege. There is difference in the terms promotion and transfer. Transfer means change in jobs which may involve some change in status, responsibilities, salary etc.

Sometimes proper training is required to be given to the existing employee for promotion.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by MoE-IKS,2025Grant

Gandhi Memorial College Of Education Bantalab Jammu

The promotion policy helps to create a sense of belonging which ultimately helps to increase efficiency of the workers. He feels that he is important in the organisation. The promotion policy helps to boost the morale of the employees. Workers can expect higher status and more remuneration. The promotion policy removes dissatisfaction of the employees. Most of the disputes are arising due to dissatisfaction among employees.

BASIS OF PROMOTION

Mainly there are two basis of promotion. They are as follows :

1. Service Seniority
2. Ability.

1. Service Seniority :

Service seniority means length of a service .The seniority can be calculated in many ways. Seniority as well as ability both should be taken into consideration while giving promotion.

Advantages of Service Seniority Method :

1. **Lesser Disputes :** This method helps to minimise the causes for disputes as employees feels satisfied and unions are also in favour of this system.

2. **Prevention of Favouritism and Arbitrary Action :** Under service seniority promotion, management cannot misuse its powers which helps to prevent favouritism and arbitrary action.

3. **Sense of belonging :** Service seniority promotion method helps to develop sense of belonging among the employees as they would feel secure and they hope for promotion in future.

Limitations of Service Seniority Method :

1. **Frustration among brilliant efficient employees :** The greatest disadvantage of promotion based purely on seniority is that even brilliant and efficient employees are not promoted. Naturally, they feel frustrated as their merits are not being recognised,

2. **Promotion to inefficient employees :** If promotion is given on seniority basis, inefficient and unskilled employees also promoted. This leads to overall inefficiency in the organisation.

3. **Encouragement to inefficiency :** This method helps to encourage inefficiency as the employees feel secured that they would be promoted when their turn comes.

2. Ability :

Under this method, promotion is given to the employees on the basis of ability or merit. This method will not consider the seniority or length of service. Ability is difficult to measure. The specific traits attitudes, personalities and skills that make up ability are frequently ambiguous. This method is very useful for the management because efficient employees are available.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Advantages of Ability Method :

1. **More efficiency :** Tender this method, promotion is given according to the ability of the employees, hence employees are working hard and contributing more to the organisation. Employees feel encouraged and try to improve their efficiency more and more.

2. **Efforts for attaining desired abilities :** When the employees come to know that the promoters are based on ability and not seniority, they are trying hard to attain the desired abilities and improve their efficiency.

3. **Loyalty :** Brilliant and efficient employees are getting proper reward for their efforts. Naturally, they are satisfied and they are trying to remain loyal or faithful. The management can undertake (various plans for expansion) expansion schemes.

Limitations or Disadvantages of Ability Method :

1. **Possibility of favouritism injustice, etc. :** Ability is difficult to measure. As fixed rules cannot be laid down while fixing efficiency of the employees. Hence, there is every possibility of injustice. The management may abuse its powers and there is scope for favouritism nepotism, casteism and arbitrary action.

2. **Promotion to inefficient workers :** There is every possibility that inefficient workers may be promoted.

3. **Feeling of discontent :** It may result in feeling of discontent among the employees who are not promoted. They may loose interest and may not remain loyal to the organisation.

4. **Lack of support of trade unions :** The trade unions are not in favour of (promotion on the basis of ability) this method.

Conclusion :

In conclusion, it can be said that both methods have some advantages as well as disadvantages or limitations. In practice, undoubtedly, service seniority is more relied upon, but this does not mean that the ability should not be recognised. As far as possible, a Judicial balance in approach should be maintained.

14

LABOUR ABSENTEEISM

Introduction :

Absence is the failure of a worker to report for work, when he is scheduled to work. A worker is to be considered as scheduled to work when the employer has work available for him and the worker is aware of it. Thus, any worker who reports for duty even for a part of the day or shift cannot be counted among absentees.

Labour absenteeism is defined as "total man-shifts lost because of absences as a percentage of the total number of man-shift scheduled."

Causes of Labour Absenteeism : The worker remains absent for a variety of reasons. Some of the main reasons are as follows :

1. **Sickness :** Sickness is one of the most important reasons for absenteeism to a considerable extent. Bad working and housing conditions, low vitality, poor living, are the factors due to which workers are suffering from small pox, malaria, cholera etc. Naturally, workers are forced to remain absent from their work.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. Industrial accidents : This is also one of the reasons due to which workers are remaining absent from their duties. Lack of skill and training of workers, defective arrangement in industries are the important factors due to which accidents take place. Naturally workers are forced to remain absent.

3. Migratory character of labour or rural exodus : In India, it is one of the significant causes of absenteeism. In India, most of the factory workers are coming from rural areas. At the time of harvesting of crops, the workers go to their villages to help their family members. Besides, due to housing problem on urban areas, workers generally leave their families behind in their villages. They have to visit their villages for certain social and religious ceremonies, which are too many in India. Besides, psychological adjustment with urban environment is difficult for rural workers.

4. Shift system : Where the production is continuous, i.e., where it is carried on day and night, the percentage of absenteeism increases in the night shift as compared to day shift. Workers want to be at home at the night time.

5. Bad habits and lack of responsibility : The habits of drinking and gambling have become major causes of absenteeism in many countries. It is said that 22 days per year absenteeism is attributed to drinking or alcoholism.

6. Policy of Management : Workers are remaining absent from their duties due to excessive hours of work, natural fatigue, monotonus job, poor supervision, improper control over production, adverse working conditions, etc. Hence, policy of management plays very important role. Management must provide working supervisors should give fair treatment to workers conditions. There should not be any injustice and dictatorship.

Miscellaneous reasons :

(i) Fatigue and the innate desire for rest and enjoyment
(ii) Inadequate transport facilities
(iii) Inadequacy of welfare activities
(iv) Sense of insecurity of employment
(v) Lack of sense of belonging
(vi) Purchasing and other family problems.

Effects of Absenteeism :

The following are the effects of Absenteeism :

1. Absenteeism reduces the incomes of the workers : Due to absenteeism, workers' income is reduced to a greater extent. It is because of general principle of 'no work, no pay'. There is every possibility that worker may loose his job and he will not get any privileges which are available to him.

2. Absenteeism affects discipline and efficiency of workers : Due to the absence of worker from duty the problem of discipline arises. There will be internal changes about transfers. It also affects the efficiency because it requires more time to gain efficiency when he returns after long period.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. Quality and Quantity of production will be reduced : Due to the absence of workers, production will be reduced to a considerable extent. The production cost will also increase. It also affects the quantity of the production because of appointment of casual or other workers. Naturally, inexperienced workers are unable to maintain the quality of goods.

4. Additional labour force : In order to face the problem of absenteeism and strikes and to suppress and control the regular workers, employers have to maintain additional labour force, e.g., casual labour, badli workers, etc.

Hence, absenteeism is an evil both for the workers and the employers. It should be reduced and controlled.

Remedies for Absenteeism :

Absenteeism is an intricate problem for the industry which requires a very comprehensive and integrated approach and it cannot be solved by deterrent punishments or disciplinary measures alone. There should be proper readjustment of the social conditions to the needs of the man. Various measures have been suggested for solving the absenteeism problem.

The Bombay Textile Labour Enquiry Committee has suggested measures for improving labour absenteeism as "the proper conditions to the work in the factory, adequate wages, protection against sickness and accidents and facilities for leave, rent and recuperation, etc."

New York Telephone Company has suggested the following steps for overcoming the problems of absenteeism.*

1. **Inquire :** Welcome the employee back to the job and inquire about the reason for his absence.
2. **Investigate :** As repeated absence calls for a probe and in case the employee is not well, he should be referred to the doctor.
3. **Course :** Discuss, if unexcused absence continues, review the absence record and make him aware of company policy etc.
4. **Warn :** Which involves reviewing the case at the executive level and warning the employee about losing his job.
5. **Threaten :** When the position remains unchanged, with the prior permission of the executives, final warning should be issued to the employees.
6. **Dismiss :** On the approval of management, remove the services of the employee when he reports back.

Generally, the following measures can be suggested for controlling labour absenteeism :

1. **Relief from worries :** In order to bring about a positive reduction in absenteeism in industry, it is essential to undertake all possible welfare and to relieve them of their personal and family worries and to improve their health.
2. **Provision of good housing facilities :** In order to improve attendance, there should be provision of suitable housing facilities.
3. **Promotion of health and vitality :** In order to promote health and vitality, sufficient opportunities should be provided to the workers.
4. **Holidays with pay :** An effective measure to deal with absenteeism is to provide to the workers holidays with pay and allow them to have sufficient rest and relaxation.
5. **Adequate wages :** The workers should be given adequate wages.
6. **Fair treatment :** Workers should be given fair treatment. For regular workers, encouragement must be given.
7. **Improvement in working conditions :** There should be improvement in the conditions of life and work for the workers, and every possible efforts should be taken to make them feel happy and contented.

---

*Rydge's 'Absenteeism : Its causes and how to cope with it.' Australia, March 1973, Vol. 46, No. 3, Pages 88-94.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

15

LABOUR TURNOVER

In every organisation, occasions arise when someone or the other of its employees would be quitting employment. On the other hand, new recruits would be recruited to fill in the gaps created. This process of leaving and coming in of the employees is thus a normal feature which we come across in any concern. Labour Turnover of an organisation is this change in the labour force during a specified period measured against a suitable index.

Labour turnover is usually expressed as a ratio of a number of employees left and replaced to the average number of employed in a particular period.

Labour turnover may also be defined as the rate of change in the working staff of a concern during a definite period.

Labour turnover is national problem of every country and leads to high cost and low productivity. The extent of labour turnover varies according to industry, proportion of males and females in a labour force, structure of employment in the country and the physical conditions within a particular organisation.

Rate of Labour Turnover :

The rate of labour turnover indicates the measurement of the extent to which the old workers leave and new workers enter the service in a given period. In other words, it is the proportion of the number of workers leaving the concern. The formula can be given as under

$$\text{Ratio of turnover} = \frac{\text{Total number of workers leaving per month (or year)}}{\text{Average number of workers on pay-roll for a month (or year)}} \times 100$$

Effects of Labour Turnover :

The following are the effects of labour turnover :

1. **Harmful to the quality and quantity of production :** Labour turnover results in loss of output as well as lowering of the quality of goods produced. It is because workers having experience of their work are replaced by those who are unskilled and inexperienced. The new workers are often not able to adjust themselves immediately to the machine as well as methods of working. Thus, it affects efficiency as well as productivity of labourers.
2. **Labour turnover affects the solidarity of workers :** Workers move from one industry to another. Thus, there will be loss of solidarity among workers, i.e., the workers are not able to enjoy the various advantages of continued employment in one concern.
3. **Increase in expenditure :** Due to labour turnover, increased cost of training, and selection and other costs connected with new entrants ultimately are reflected in the increased cost of production.
4. **Extra cost of overtime payment :** Due to labour turnover, production schedule may be distributed. In order to maintain it, the existing workers will be requested to work more, for which an industry will have to make extra payment. Thus, labour turnover leads to extra cost of overtime payment.
5. **Less utilisation of the countrys' human resources :** Labour turnover is a serious obstacle to the complete utilization of a country's human resources.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Measurement of Labour Turnover :

There are three methods of measuring labour turnover :

1. Separation Method :

$$\frac{\text{Number of separations in a period}}{\text{Average number of workers in the same period}} \times 100$$

2. Replacement Method :

$$\frac{\text{Number of replacements in a period}}{\text{Average number of workers in the same period}} \times 100$$

3. Flux Method :

$$\frac{\text{Number of separations + Number of replacements}}{\text{Average number of workers in the same period}} \times 100$$

Causes of Labour Turnover :

The following are the main causes of labour turnover :

1. **Resignations and dismissals :** It is one of the important reasons of labour turnover. Resignation depends on various reasons like dissatisfactions with working conditions-sickness, insufficient wages, bad health, old age, etc. Dismissals may occur on account of participation in strikes, misconduct, inefficiency in subordination, active participation in activities which are against the interest of the enterprise.
2. **Badli system :** Under badly system in order to meet emergencies and to provide job opportunities to badli workers, many workers are forced to leave their jobs.
3. **Rural exodus :** Rural exodus is one of the significant causes of labour turnover. In India, most of the factory workers coming from rural areas. During the harvesting of crops the workers are going to their villages to help their family members. Besides, they have to visit villages for certain social and religious ceremonies. They leave their jobs because they cannot get a long leave.
4. **Attraction of higher wages :** Wages vary from industry to industry. Workers are immediately attracted by higher wages and fringe benefits and hence, they leave the earlier organisation.
5. **Accidents :** Lack of skill and training of workers, defective arrangements in industries are the important factory due to which accidents take place. Hence, due to fear of risky ventures, workers leave jobs.
6. **Treatment to the workers :** If the workers will not get fair treatment from supervisors, they leave the organisations.

Other Reasons :

1. Lay off,
2. Improper methods of promotion,
3. Bad training facilities,
4. Illness,
5. Marriage, retirements, etc.
6. Housing, transport difficulties etc.

Thus, it can be said that labour turnover is the cumulative effect of a variety of grievances.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Measures to reduce Labour Turnover : Although cost of labour turnover is high in these days, very little efforts has been made to collect, classify and compare the cost of labour turnover. A thorough understanding of the causes of labour turnover and analysis and comparison of coast of such turnover may help an enterprise in controlling the situation.

The Bombay Textile Labour Enquiry Committee has suggested the following measures for the problem of labour turnover :

1. Improvement in the methods of recruitments.
2. Establishment of Employment Exchanges.
3. Organisation of Personal Department.
4. Proper restrictions on the powers of jobbers.
5. Encouragement to worker's organisation.
6. Improvement in working and living conditions.
7. Expansion of welfare activities.
8. Provision of social insurance schemes.
9. Better wages.
10. Facilities for leave and holidays.

Some additional measures can also be suggested :

1. Facilities for education and training.
2. Security for employment.
3. Facilities for recreation and amusement.
4. Provision of old age pensions.
5. Fair treatment to workers.
6. Scientific system of recruitment, etc.

All these measures can certainly help to minimise labour turnover.

16

EMPLOYEE REMUNERATION

Introduction

Employee remuneration or wages is an important factor determining good industrial relations. There are two ways of remunerations :

1. **Wages :** Which can be based on quantitative measurement of work.
2. **Salaries :** Which are paid for a fixed period irrespective of the quantity of :
   The employees must be paid reasonable wages so that they get job satisfaction and put maximum efficiency. Low wages do not amount to reduced cost of production but low wages are costly because low wages load to loss of production due to low efficiency and load to labour unrest.
3. **Minimum Wages :** They are sufficient for maintaining physical and intellectual efficiency and for buying the necessities of life. Minimum wages are paid as per the legislation in order to avoid labour exploitation.
4. **Fair Wages :** They are more than minimum wages. They are based on families needs, necessities and merits and efficiency of labourers. This is necessary for increasing loyalty among the employees.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

5. **Living Wages :** This remuneration enables a worker to gain a comfortable standard of living and social status.
6. **Living Wages :** The remuneration enables a worker to gain a comfortable standard of living and social status.

Factors which determine the level of remuneration :

These factors are dynamic, internal and external. They can be classified as follows:

1. **Production and the nature of work :** Skilled and unskilled labourers, technical and table work, hazardous jobs and wages on their merit, physical and intellectual qualities.
2. **Use of Machines :** If the production is capital-oriented, the use of machinery increases and technically qualified people must be employed and must be paid more.
3. **Use of labour :** In case of skilled jobs where personal skill is important, wages are paid in a different manner.
4. **Labour supply :** If labour supply is elastic and demand is inelastic, then higher wages than the level of marginal productivity are paid. If demand for labour is elastic and its supply is elastic then wages are lower than marginal product.
5. **Wages Policy :** Wage legislation prevents labour exploitation and ensures a rise in wages according to changes in cost of living.

The general principles to be borne in mind while considering the introduction of an incentive scheme:

1. The system should be fair both to the employer and the employee.
2. The underlying purpose of the incentive scheme must be clearly understood. It should provide attainable objectives.
3. No limits should be placed upon the amount of additional earnings under the scheme.
4. The agreement should specify the procedure for dealing with any abnormal conditions which may arise.
5. The employees should not be penalised for matters outside their control.
6. Rates of payment by result should not be fixed if the job cannot be properly assessed. Piece-rates or time allowances once fixed should be maintained, unless conditions or methods change. Though labour cost per unit may rise, total cost per unit should decrease.
7. There should be a satisfactory system of inspection so that workers are paid only for good performance.
8. The scheme proposed must be easy to understand and simple to measure and calculate. It should not require a knowledge of higher mathematics on the part of the workers.
9. The incentive system should be conductive to the setting up of standard costs and budgetary control.
10. The workers must be properly educated and motivated by the desire to earn money.
11. The system should not controvert any of the existing conditions of employment or trade agreements.
12. The system should result in increased productivity of both men and machines.

17

INDUSTRIAL DISPUTES

Causes of Industrial Disputes :

The following are the important causes of Industrial disputes :

1. **Working Conditions :** Improper working conditions is one of the important causes of industrial disputes. There must be good working conditions for workers in industries.
2. **Work-load :** Disagreement over work-load is another cause for industrial disputes.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

3. **Wages :** Wages is one of the most important cause of disputes. Wages is the only means of livelihood for workers. It is an important item of cost in running his business from the employers, point of view. The workers want rise in wages while employers wants to maintain lower level of wages.
4. **Discipline :** Every industrial enterprise or establishment has some rules of discipline which are expected to be observed by all concerned. However, framing of certain rules and their administration often give rise to numerous and sharp difference between workers and management.
5. **Productivity :** Disputes and problems may also arise in respect of proposals for increasing productivity.
6. **Human relations :** Lack of better human relations, behaviour of superiors towards the workers and absence of proper channels through which the worker can give expression to his difficulties or dissatisfactions becomes the cause of industrial disputes.
7. **Other Causes :** There are many other causes which can give rise to difference and disputes. Hours of work, facilities of leave with wages, retirement age and retirement benefits, fringe benefits, victimisation of workers, unjust dismissals etc.

Machinery for prevention and settlement of disputes :

The Industrial Disputes Act provides an elaborate and effective machinery for bringing out industrial peace by making provisions for :

1. Workers Committees
2. Boards of Conciliation
3. Conciliation Offers
4. Courts of Inquiry
5. Labour Courts
6. Industrial Tribunals, and
7. National Tribunals.

18

LABOUR WELFARE

Labour welfare is the series of measures taken for improving the conditions of the workers. It is one of the major national programmes.

According to a report of the *International Labour Organization*, "Workers' Welfare should be understood as meaning such services, facilities and amenities, which may be established in or in the vicinity of undertaking to enable the persons employed in them to perform their work in healthy, congenial surroundings and provide with amenities conducive to good health and high morale."

The Labour Investigation Committee of the Government of India, 1945, remarked the following:

"For our part we prefer to include under welfare activities anything done for the intellectual, physical, morale and economic betterment of the workers, whether by the employer, by the government or by other agencies, over and above what is laid down by law by what is normally expected as part of contractual benefits for which the worker may have bargained."

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Generally, labour welfare includes provision of good housing, medical facilities; recreation and education, sanitary conditions, shelter and canteens safety, sufficient lighting, general well-being and efficiency of the workers.

The necessity of Labour Welfare :

1. The report of *Bombay Textile Labour Enquiry Committee* has remarked that, "it is axiomatic that in all pursuits, a high standard of efficiency can be expected only from persons, who are physically fit and free from mental worries, that is only from persons who are properly trained, properly housed, properly fed and properly clothed."

2. The workers will put their heart and soul for increased production if adequate amenities are provided to them.

3. In order to build up a suitable and efficient labour force, it is essential to bring about a marked improvement in the conditions of worker's life and work.

4. In order to increase the efficiency of Indian labourers, labour welfare is necessary.

5. Welfare measures provide enough satisfaction to the workers, which helps in improving industrial relations.

6. Welfare facilities help to improve their mental faculties and helps them in becoming good citizens of the society.

Advantages of Labour Welfare :

1. Efficiency and productivity : The provisions of good housing, good working conditions, medical facilities, recreational facilities leads to increased mental efficiency and economic productivity.

2. Better understanding : There will be better understanding on the part of management of the problems and difficulties of workers. There will be clear appreciation of the contribution made by workers.

3. Reduction of absenteeism and labour turnover : Adequate provision or welfare facilities, e.g. minimum wages and other benefits, provision of good housing, helps to reduce absenteeism and labour turnover.

4. Sense of belonging : The provision of various welfare measures will make workers feel and realise that they also have some stake in the undertaking in which they are engaged. This sense of belonging helps to reduce conflict between labour and management.

5. Reduction of industrial disputes : Labour welfare leads to reduce industrial disputes.

6. Standard of living : Welfare measures help to improve standard of living of workers.

7. Industrial peace : Welfare measures help to maintain industrial peace. Welfare measures influence the sentiments of the workers. Welfare activities such as sports, educational facilities entertainments, influence the sentimental atmosphere in the factory.

19

EFFICIENCY OF INDUSTRIAL WORKERS

The term efficiency implies the amount of work which a labour can do within a given period. In other words, the term denotes the working capacity of a labourer. It is one of the main factors which greatly affect the amount of total output. The term efficiency also refers to the amount, quantity, nature of work, and time consumed by the labour.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh. Funded by JKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Factors affecting Efficiency of Labour :

Generally, the following factories determine the efficiency of labour.

1. **Hereditary Qualities :** The inner factors which are transmitted from generation to generation, play a significant role in the determination of efficiency. Hence in every society, there are certain section, the member of which are most efficient in the discharge of a particular work. It is only due to hereditary qualities that the sons of weavers, carpenters and goldsmiths etc. acquire a skill which is seldom found in others.

2. **Adverse climate conditions :** Climate conditions of India is one important cause of the inefficiency of labour. The Indian climate throughout the major part of the year leads to laziness and lethargy and makes hard and sustained work almost impossible.

3. **Standard of living :** Standard of living is also an important factor which affect the efficiency of labour. Better living conditions, nourishing food and availability of sufficient comforts make a labourer healthy and efficient.

4. **Low Wages :** Low wages are also said to be a significant cause of inefficiency as due to this the worker is unable to feed himself properly and to keep himself and his family in a fit condition, thereby suffering loss of efficiency.

5. **The wornout, absolete machinery and poor quality of raw materials or inefficient industrial organisation and equipment :** The warnout and absolete machinery, defective layout in most Indian mills, inefficient industrial organisation and the poor quality of raw materials used by Indian industries are other important causes of the relative low efficiency of Indian labours.

6. **Working Conditions :** Working conditions also influence efficiency of labour. Sanitation ventilation, good lighting, a calm and quite atmosphere etc. have a direct psychological effect on a worker. Besides, efficiency is also affected by the number of working hours. Less working hours without any relaxation, impair the efficiency of labours.

7. **Lack of education and training :** Most of the workers in India are illiterate. General as well as technical education has a definite impact on the efficiency of labour. It is the most important single factor in achieving the efficiency and adjustment with the changing technological system. Hence, an educated worker is more efficient and responsible than an illiterate worker.

8. **Willingness and freedom :** The efficiency of a worker also depends upon his willingness to work. Every worker has got a particular interest and aptitude towards particular type of work. Hence proper placement is important in increasing the efficiency. A slave cannot be so efficient as a free person.

9. **Worker's Union :** Worker's union is an important factor in determining efficiency. If the workers are properly organised into trade unions they acquire greater confidence for the protection of their interests.

10. **Other Causes :** Frequent absenteeism, high rates of turnover and indebtedness are other causes of inefficiency.

Debt has an adverse psychological effect on the efficiency of the worker.

Thus, the efficiency of labour force is determined by the influence of various factors. An efficient labour force is one of the main factors of economic advancement. Hence, in recent years, various steps have been taken by the Government for increasing efficiency of the labour.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Measures to remove the causes of inefficiency :

The present inefficiency of Indian workers is mainly based on education, wages, living and working conditions, hours of work, industrial organisation, placement of workers, machinery, labour organization.

1. Adequate Wages : In order to increase efficiency, minimum wages should be given to the worker to provide for his family a reasonable level of subsistence. A wage structure should be based upon sound incentive schemes.

2. Working and Living Conditions : There should be good working and living conditions. It is a well recognised fact that healthy and inspiring atmosphere leads the worker for more work, while slum and unhealthy atmosphere decreases his working capacity.

3. Sound Promotion Policy : Everybody wants an opportunity to advance himself. Most of the employees are stimulated to work enthusiastically when he knows that he will get an opportunity to grow in responsibility through adequate promotion.

4. Security : An employee wants security in his job. He wants to be sure that at the end of each month he will have a certain income, so that he can build his future around it, and establish his home. It is for this reason that many employees prefers a steady job with regular income to intermittent earnings of high wages. This ultimately leads to higher efficiency and increase in morale.

5. Workers' Education : In order to increase efficiency of the workers, education should be given to them. There should be a wellinformed, constructive and responsible industrial labour force. A self reliant and well-informed labour force is capable of thinking for itself and conscious of the economic and social environment.

6. Joint Consultation : In the matters of mutual interest, the workers must have voice. A wise executive gives opportunities to workers to express their ideas. Joint Management Councils have also been introduced by the Government. The workers should be given a chance to participate in the management.

7. Adequate Training : In order to increase quality and quantity or production, adequate training should be given to the workers.

8. Low Working Hours : It is gratifying that the Government of India is fully alive to these responsibilities and is doing its best to promote the interest labour by suitable legislation regarding their working and living conditions both inside and outside the factories. Besides, constant propaganda should be made by the Government, labour leaders, etc. towards the removal of the labourers' laziness, lack of responsibility and discipline. Extensive studies should be undertaken in various industries to suggest methods of improving the efficiency of labour.

Efficiency of Indian Labourers :

According to *Labour Investigation Committee* : As To sum up, considering that in the country hours of work are longer, rest pauses few, facilities for apprenticeship and training rarer, standards of nutrition and welfare amenities are poorer, and the level of wages much lower than in other countries, the so called inefficiency cannot be attributed to any lack of native intelligence or aptitude on the part of the workers.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Conclusion :

In the end, we may conclude that the Indian Labour has a very great capacity to learn and improve, provided necessary steps are taken in this regard. In fact, there is nothing initially wrong with the Indian labour. If efforts are made for raising their standard of living, providing them adequate facilities for training and improving their working conditions, there is least doubt that Indian labour would become as efficient as their courterpart in other industrially advanced countries.

20

COLLECTIVE BARGAINING

Introduction :

Collective bargaining is an essential element of economic democracy. In order to settle industrial disputes peacefully, collective bargaining and compulsory arbitration are very important methods. According to V. Agnihotri, as "Collective bargaining is an extension of the principles and practices of democracy to industry, it is a dynamic process and is constantly expanding."

Definitions of the term 'Collective bargaining'

Louis E. Howard : "Collective bargaining means to get together (right of meeting) to enter a common organization (right of association) to determine that whatever conditions of work are allotted shall be the same for all workers and to make a bargain with employers to that effect (right of combinations and bargaining) and eventually in case the employers should refuse to enter on such a bargain or fail to honour it when entered upon, to confront them with a united refusal to go to work or to continue at work (right to strike)."

In short, collective bargaining is the process of discussion and negotiation between an employee and a union culminating in a written agreement or contract and the adjustment of problems arising under the agreement.

In the words of *Dale Yoder*, "Collective bargaining is essentially a process in which employees act as a group in seeking to shape conditions and relationships in their employment."

According to *L. G. Roynolds*, "Trade Unions try to advance the interests of their members mainly by negotiating agreements usually termed union contracts' or collective agreements' with employers. The process by which these agreements are negotiated, administered and enforced are included in the term 'collective bargaining'."

Procedure of Collective bargaining :

Collective bargaining is considered to be the best method for regulating terms and conditions of employment. Under this method, the representatives of workers and employers arrive at a mutual agreement acceptable to both the parties. The terms and conditions of employment can be determined by collective bargaining. The terms and conditions of employment can be determined in the following manner.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

1. The management or employer can fix the terms and conditions of employment.
2. The Trade Union can fix the terms and conditions.
3. The Government can also dictate the terms and conditions of employment.
4. By collective bargaining also terms and conditions of employment can be fixed.

The terms agreed by mutual agreement are reduced in writing. Such mutual agreements run for a specific period. Such joint agreements may be negotiated between unions and employers or between a single union and several employers.

Matters included in Collective Bargaining :

Generally, following matters are included in the collective bargaining.

1. Working rules and regulations.
2. Working hours, i.e. normal working hours.
3. Wages and wage categories.
4. Holidays with pay.
5. Overtime rules.
6. Union activities and responsibilities.
7. Strikes and lockouts.
8. Rules regarding promotions, demotions, transfers, discharges, layoffs etc.
9. Settlement of disputes and grievances.
10. Health and safety regulations.
11. Finally, the terms regarding the renewal and extension of collective bargaining agreement will also be stated in the collective bargaining agreement.

Conditions for the success of Collective Bargaining :

Collective bargaining can be successful if certain basic conditions are fulfilled :

1. Existence of well-organized trade union : This is one of the essential requirements. There should be strong or well-organised trade union which must have well-defined policy.

2. Mutual Co-operation and Trust : There should be mutual co-operation and trust among labour and management. The spirit of co-operation is the basic requirement for the successful collective bargaining.

3. Act in Good Faith : The terms and conditions of collective bargaining are voluntarily agreed between the workers and employers. Hence, the parties concerned should act in good faith.

4. Complete Understanding : There must be complete and real understanding between the representatives of the workers and the representatives of employers. There should not be any sort of uncertainty. Agreement should be based on basic objectives.

5. Progressive Attitude : The attitude of the parties involved in collective bargaining should be progressive one. Approach should be of fact-finding and as far as possible new methods and techniques should be adopted.

6. Workers responsibility : Workers must realise the duties and responsibilities before demanding rights and privileges

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

2.1

INDUSTRIAL RELATIONS[1]

(A) "Industrial relations is a set of relations arising out of employee-employer relationship in the modern industrial society."

Industrial relations can be determined by :

1. **Institutional factors :** Pattern of labour legislation, state policy, extent of trade unionism, etc., and social institutions.
2. **Economical factors :** Nature of economic organisation, capital structure, technology, labour market, etc.

Ten Commandments of Industrial Relations

Human resource management of every organisation must educate its managers to keep atleast these commandments facilitating harmonious industrial relations throughout the organisation.

(i) Workers should be considered as indispensable partners who deserve attention, grievance redressal and need satisfaction.

(ii) Harmony must be ensured in attitudes, approaches, relations and behaviour with the workers i.e., managers must make it a policy to practice cordiality with the workers.

(iii) Remember that everyone needs love, while the weak ones need more love. A worker or employee may have more weaker spots, and deserves more love, and hence try to give him love.

(iv) Foster and practice human values, justice and equality.

(v) The management and managers must accept accountability for cordial industrial relations ; try to prevent disputes.

(vi) Establish appropriate mutual communication mechanism, and given time to hear the workers' grievances with sincerity and deal with them with sympathy.

(vii) Establish and practice a redemptive approach to erring (not criminals) workers ; give priority to settle the disputes cordially.

(viii) Establish, encourage and practice human relations backed by an effective counseling process.

(ix) Deal with the trade unions with determination, vision and compassion ; (let the devil have his due share) and as far as possible one union with internal leadership must be encouraged ; encourage collective bargaining wherever necessary.

(x) Habitual and hardened criminals must be handled with managerial determination.

An organisation with "HRM" approach must give priority to establish and maintain cordial industrial relations. As an inverse relation exists between industrial disputes and

---

[1] Michael V.P. *Industrial Relations in India and Workers' Involvement in Management*, (3rd Edn.), Himalaya Publishing House, Bombay, 1991.

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

cordial industrial relations (i.e., greater the industrial the lesser would be the cordiality of industrial relations), every manager, particularly managers attached to human resources management, must make his determined efforts to minimise, industrial disputes. Two methods can generally be used for this purpose ;

(a) Prevention of industrial disputes ; and

(b) Settlement of disputes.

Essentials of Industrial Relations :

1. Good industrial relations depend upon employer's organizational ability and trade unions to deal with their mutual problems.
2. Collective bargaining is the corner stone of industrial relations.
3. It is necessary to recognise the desirability of associating workers and employers organisations with government agencies with consideration of general public, social and economic measures affecting industrial relations.

(B) Under the traditional systems of production, goods were produced on a small-scale and for local markets. The craftsmen were working as entrepreneurs, financers, managers and workers. Workers were treated as family members. Craftsmen were in direct and close touch with workers. Hence, there were no industrial relation on problems.

But the modern age is an era of mechanization. Industry today is a complex affair, involving large-scale production, huge investment of capital, large number of employment of men and women, and the use of complicated affairs. The difference in approach e.g. shareholders are interest in dividends, managements are more interested in profits, workers are more interested in wages and other monetary and non-monetary benefits brings forth the problems of industrial relations.

The workers in modern industry become more or less mechanical. There is lack of initiative and interest in work. The solution of the problems depends upon the historical development of industrialization and national and cultural characteristics of a society. Every industrial community has to find its own solution for such problems.

22

TRADE UNION

Definition :

The Trade Unions Act, 1926, Section 2, defines a trade union as follows :

"Trade Union" means any combination, whether temporary or permanent, formed primarily of the purpose of regulating the rations between :

(i) workmen and employers or

(ii) workmen and workmen or

(iii) employers and employers. It also means a combination for imposing restrictive conditions on the conduct of any trade or business. It includes any federation of two or more trade unions.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Sidney and *Beatrice Webb* in their 'history of British Trade unionism' have defined a trade union as follows :

"A trade union is a continuous association of wage-earners for the purpose of maintaining and improving the conditions for their working lives. It's fundamental objective is the deliberate regulation of the conditions of employment in such a way so as to ward off the evil effect of industrial competition from manual working producers."

The definition emphasises the continuity of the organization and defines it as an association or wage-earners only.

In the words of *V. V. Giri*, the former President of India : "Trade Unions are Voluntary Organizations to organize all workers formed to promote and protect the economic interest of collective actions."

Role played by Trade Unions :

Trade unions today have become part and parcel of the modern society. They have a very vital role to play in a developing economy. In a developing country, particularly where the process of planned economic development is given top priority, the trade unions, as workers' organization, have to suitably modify their objectives and functions so as to accelerate the tempo of economic development.

Complex problem : The trade unions have to shoulder great social responsibilities in an expanding economy with economic problems. The trade unions are faces with new complex problems of higher productivity and equal distribution of fruits of higher productivity, equitable distribution of economic power, technological changes, rationalisation of wage structure, constructive labour management relations, etc.

Traditional Role Vs. New Role : The traditional role of trade unions has been of protecting the interest of workers. However, to meet the exgencies of a developing economy, there has to be a deep change in the role of trade unions. There appears to be an irreconciable conflict between trade unions, their demands and economic development and its requirements. But this is not so.

Higher Production : Trade Unions, as representatives of the productive power of a developing economy, have to play a vital role in increasing production and thereby, national income. Trade union leaders can guide the rank and the file along proper lines and activity participate in various schemes, initiated at different levels for increasing production and productivity. They must educate the workers on the necessity to participate earnestly in programmes to raise productivity and to reduce costs.

In all measures of increasing productivity and production, workers should be fully associated. It has been aptly remarked "Industry is only a means to an end. It is people that come first. Workers' dedicated spirit, honest efforts and abiding loyalty to the industry and the country are of great importance in achieving the aims and objectives and targets laid in the planned economy of a developing country.

Population Control : In our country, a measure of economic development has taken place since Independence. But it has not kept pace with the increase in population, nor is it enough to effect improvement in the low standard of living of the masses. The rate of development must be stepped up considerably along with vigorous efforts to check the rise in population. For this, it will be necessary to effect changes in the distribution of national income. Trade unions can offer active co-operation in this task.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Value of education : As a corollary to increased production and as a condition of rapid economic growth, workers, should learn new skills and techniques. Trade unions can play an important role in dispelling the ignorance of workers by spreading education amongst them, the lack of which has been a hindrance in the path of economic and social progress. Also, trade unions can encourage workers to join training programmes organised by the Govt. and industry. They can help to interpret the management policies and plans to their members and thereby cooperative spirit in the industrial field.

Industrial Peace : Industrial peace is a sine-qua-non of rapid economic growth and the trade unions can play a notable part in creating a congenian and conductive industrial climate. Industrial peace is of utmost importance for attaining increased production. A developing country like India cannot afford the luxury of economic disturbances caused by strikes and lockouts. The trade unions can serve the cause of industrial peace by adopting constructive and conciliatory approach in settling industrial disputes.

Need for Savings : A developing economy underline the need for capital formation for many of its ambitious projects. It would therefore necessary for trade unions to accept and always to keep in mind the compulsions of development. If nothing is saved, no development will take place. Therefore, it will be necessary to exercise some restraining on demands. The trade unions can help a great deal in the process of mobilization of savings. They can take a lead by assisting the small savings drive launched by the government. They can persuade workers to participate in other Govt. sponsored savings schemes.

Adjustment to new environment : The modern industrial society expects new discipline and new behavioural pattern from workers. The migratory characater of the working class and uncangenial climate factors militate against a stable labour force. The trade unions can play a commandable role in the process of adjustment and integration of workers in the modern industrial society. *The Director General of the I.L.O.* has stated " the trade unions may be one of the most powerful instruments for creating a new industrial society, and for helping the new industrial recruit from the rural communities to adjust to the conditions of industrial life." Organization of recreation and cultural programmes by trade unions will bring out a change in the attitude of workers which is as vital to an industrial society.

SOCIAL RESPONSIBILITIES OF TRADE UNIONS

Trade Unions today occupy a strategic place in a modern industrial society. Their activities touch the frontiers of our social framework at many points. As *Herold F, Laski* says, "Trade Unions today are pluralist in character and pragmatic in method, if they are not, they are unlikely to survive the demands made upon them by so swiftly changing on environment."

There was a time when trade unions were regarded as a organs of class war. Later, union were regarded as agencies for collective bargaining. But now the trade unions have passed that stage where they could content themselves dealing with those matters which concerned directly their members or managements. In fact, as wells known labour leader has observed. "The basic change is the realization by responsible leadership of leader that in our rapidly changing and more closely inter-related an inter-dependent economic and political society, labour cannot be an island upto itself." Hence, the time has come when workers should realise that they are not slaves of system merely working for wages, but free citizens tendering their services to the community.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Social justice and new awareness : It has been rightly pointed out that the success of a trade union has to be measured not merely in terms of material gains secured, but also in the extent of redress obtained with regard to day-to-day grievances. The degree to which the workers have been helped to develop their moral and social consciousness has also to be an important criteria.

Trade unions have to play a special role in promoting social justice in the community. Human progress can be measured in terms of freedom, security and cultural and spiritual values. The role of trade unions in bringing about this change is fully appreciated and recognised today. But it is freedom from want, from insecurity, from ignorance from ill-health and the where withals for a decent life for all that can provide content to those fundamental rights. And this needs a continuous rise in national income, an increase in the rate of economic growth, rapid industrialisation, full employment and soon. On the extent to which these desires can be achieved depends on the quality of social justice that would prevail in society. The trade unions have to play a dynamic role, for the social and economic progress, giving support to the forces working for such progress. It is only when they work vigorously and harmoniously with these forces that they will be truly working for the establishment of social justice in every nook and corner of the world.

A new Social Order : Industrial development in India is taking place in this country for over two decades with a social purpose. The third five year plan has defined the purpose as follows :

"Economic progress has to be rapid enough, to attain a level of all employment and secure a rising standard of living for the people. The fruits of the progress should be shared in an suitable manner and the economic and social organisation which is created must be in keeping with the concept of a socialist society. In the implementation of these objectives, the working class has an important role and a great responsibility and these will grow with the rising tempo of industrialisation." Thus, a new type of society is being created in which individuals and groups are moved more by a sense of mutual obligations than the propensity to acquire or the making of private gains, at the expense of the general well-being.

In the industrial field, such a social objective can be attained only through an ever-growing co-operation between employers and employees in both the public and private sectors. Trade unions can play a big role in ensuring that co-operation.

Undesirability of agitational approach : The late Prime Minister Shri. Jawaharlal Nehru in a message to a trade union organisation had stated, "India is facing difficult problems today and it is very necessary that the organised labour movement should react to them properly and merely agitational approach is not helpful in the circumstances."

We have to consider every problem in its larger context. Agitational approach more often than not brings in its wake indiscipline and violence.

Challenge of new opportunities : In socialist countries, labour is increasingly being associated in industrial understandings at different levels right to the apex. There is an association of Labour with Management in a number of Capitalist Countries and good results have been achieved through it. In India, worker's participation was mooted in the Second Five Years Plan. The Third Five Years Plan envisaged extensive Joint Management Councils. The idea that workers are partners in industry gaining ground and unions are likely to have

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

a larger say in the internal arrangements in factories and other concerns. Along with this, trade unions will also get a larger voice in national affairs. Responsibilities will bring larger opportunities, to influence public policies. To take the advantage of these opportunities, trade unions will have to create the necessary awareness and consciousness amongst workers, so that they be in a better position to discharge their social responsibilities.

Promotion of education, culture and morality : Trade Unions in advanced countries devote considerable time and attention to promoting the educational and cultural standards of their members. In collaboration with universities and other concerned institutions, they arrange special programmes. They have to undertake multiple responsibilities, which brings about closer contracts between trade unions and the community to whom they have to offer services.

National integration : Trade Unions, as vehicles for ensuring quality of human beings, have cut across the barriers of caste, creed religion or language. They have to encourage the growth of national sentiment and discourage all attempt to-keep alive parochial prejudices.

Problem of unemployment : Unemployment is one of the major problems facing the society and trade union movement. A large mass of the unemployed is a grave danger to the stability and progress of any society. Trade unions have therefore to take active interest in the national policy regarding development of industries, agriculture and in employment problems.

As problems of unemployment cannot be solved without putting restrictions on population growth, the trade union movement has to undertake vigorous campaign in favour of birth control and family welfare.

Contribution to strengthen democracy : Trade unions may train some of their members as public workers and social leaders. The experience and the training they would get through their participation in the multifarious activities of unions would enable some amongst them to qualify themselves for work in legislatures, local bodies and other public institutions. That would be the contribution of trade unions to the successful functioning of a democratic institutional set-up in the country.

Trade Union have emerged as powerful socio-economic institutions in modern industrial societies, and in our country, they have to develop a set of new attitudes and relations towards the community. They should become efficient instruments of social justice, economic progress and industrial democracy if they have to properly discharge their social responsibilities in the changing society.

DIFFICULTIES AND DEFECTS OR PROBLEMS OF TRADE UNIONS IN INDIA

Trade union as a movement has made considerable progress in India. There are many hindrances and obstacles in the way of its progress.

Multiplicity of trade unions, political rivalries, lack of resources, disunity in the rank of workers, lack of education among the labour force, emphasis of the external machinery for solving disputes, limited sympathy of the employers, are some of the causes responsible for the stifled growth of trade unionism in India. The following are the main factors:

1. Migratory character of labour : It is an obstacle on the growth of trade unionism. India's factory workers are mostly from rural areas. At the time of harvesting of crops, they return to their villages. Besides, these workers aggravate various social problems, e.g. psychological adjustment with urban environment. Hence, they do not take keen interest in the union's activities permanently and enthusiastically.

CC-0. Panjab University Digitized by eGangotri Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

2. **Lack of Unity among the workers :** The factor has proved to be a great hindrance in building up labour solidarity in the country. The workers are divided according to race, religion, language and caste.

3. **Lack of education :** Due to lack of education, the workers do not properly understand the aims and advantages of trade union movement. Hence, they soon come under the influence of different political parties and begin to do such work which is detrimental to their interests.

4. **Long hours of work :** Workers do not get sufficient time to think of anything except their work. Their working hours are excessive. They cannot devote sufficient time to perform the activities of their trade union.

5. **Absence of democratic spirit :** There is an absence of democratic spirit among workers. For generations they have become accustomed to be ruled and have developed a slavish mentality and an inferiority complex. Naturally, they are incapable of thinking in terms of any organisation effort on their part.

6. **Weak financial position :** The wages in India are very low and poverty of the workers is a great handicap for growth of any healthy organization. It becomes difficult for workers to pay even a small subscription to their unions regularly and many workers do not like to become even members. Hence, the union suffer from a weak financial position and cannot have adequate funds without external assistance.

The trade unions have failed to collect dues in time with the result that there are often vast amounts of unpaid subscriptions. Obviously, the reasons for this state of affairs are poverty, low wages, indebtedness of the workers, lack of staff and efficient organisation of trade unions to collect funds in time and the indifferent attitude of an average member of the trade union.

Apart from regular monthly or quarterly subscriptions from members, there are other sources of funds such as donations, sales proceeds of periodicals and other literature, interest on investments and special collections. Besides a few exceptions, the financial position of unions is generally weak and they are unable to provide adequate services to members.

In order to strengthen their financial solidarity, the subscription rates should be raised without causing any hardship to the subscribers. Collections of subscription from all the members should be made regularly and default in payment should be avoided.

Lack of leadership : One of the great obstacles in the progress of the trade union movement is lack of good and impartial leaders. It has now become a fashion amongst the politicians in the country to become leaders of the trade unions and in many cases it may be found that persons with little knowledge of the background of labour problems, fundamental or trade unionism, technique of industry and even with little general education, assume the charge of a trade union. Naturally, unions cannot be expected to function efficiently on a sound basis tinder the guidance and leadership of such persons.

8. **Domination by various political parties :** At present, the trade union movement is dominated by various political parties in the country. The political divisions of trade unions lead to an unnecessary multiplicity of trade unions in the same industry and consequently rivalry amongst them. Labour leaders of different political parties have formed different trade union organisations which preach different philosophies and idealogies to the workers. Thus, rivalry results in confusion of the workers.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

9. Failure to realize the importance of mutual help and welfare activities : Most of the trade unions in India have failed to realise the importance of mutual help and welfare activities. Inadequacy of funds is mainly responsible for such apathy. If the unions give proper attention towards welfare activities, the membership will increase, trade unions may become active and stable organisation.

10. Attitude of employers : In India, the attitude of employers towards trade unions has been very indifferent and hostile. They consider workers' organization as a challenge to their financial power and authority. They contend that trade unions obstruct the speed of industrial development. Hence, they always try to discrupt the unity of trade union workers.

MEASURES TO STRENGTHEN TRADE UNION IN INDIA :

Trade Unions can play a distinct and important role in the economic development of the country and towards the success of the plans. At present, due to various causes mentioned above, there are divisions in the ranks of trade unionists.

The future of trade unionism in India mainly depends upon the efforts to the unionists themselves. Generally, the following measures may be taken.

1. Development of united front of labour : Workers unity is an urgent necessity of the labour movement in India. In order to avoid chaos and confusion, the trade unions must be free from politics. In the interest of workers and their organisations, there should be one policy, one programme, one country. For a healthy development of the trade union movement, there should be only one organisation of workers in one industry (one union, one industry) there should be a central body capable in representing government policies towards labour. According to Giri, one union in one industry will help to maintain industrial peace.

2. Proper Leadership : There should be provisions of union leaders from the ranks of workers themselves. He should be a full-time paid officer, possessing qualities of a good leader, who will always work for the welfare and interest of the workers.

3. Adequate funds : In order to strengthen financial solidarity of trade unions, the rates of subscription should be raised. The income of unions may be raised by regular collection of subscription from members and by avoiding default in payments. The expenditure of trade unions should also be rationalized and brought down. Small unions may be amalgamated into one big and powerful union.

4. Training of organizers : There should be properly trained organisers. Various trade unions, e.g. INTUC, HMSS, are taking commendable steps in this direction.

5. Promotion of welfare activities : It is essential to expand welfare activities of the unions to increase the benefits, to members. Such facilities may include education, co-operative stores, gymnasium etc.

6. Free from political influence : The trade union should be kept completely free from political influence. The trade union activities should be confined to economic and social prosperity of their members.

7. Co-operation of employers : Trade unions are necessary for the success of industrialisation, and industrial production. Hence, co-operation of employers or industrialists is required.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

8. Radical changes in the trade union policies : In the present economic set up of the country, it is absolutely essential that there should be a radical change in the policies of the trade unions. Emphasis should be given on constructive work.

23

COMPARISON OF NEEDS IN THE CONTRIBUTIONS OF MASLOW, HERZBERG AND McCLELLAND

Maslow	Herzberg	McCelland
Identified Basic Needs	Separated needs and hygiene factors	Divided needs and need for power, need for achievement and need of affiliation.
Lower level needs, i.e. Physiological needs and safety needs are placed at primary level.	Hygiene factors prevent dissatis-faction.	Only higher needs are highlighted.
Higher needs are identified as secondary needs : Social esteem and Self-Actualisation need.	Such higher needs are placed as motivators	Higher needs are classified under three titles – power, achievement and affiliation.
Lowest unsatisfied need on the hierarchy motivates behaviour.	Lower needs (hygiene factors) are dissatifiers.	Assumed that lover needs are generally satisfied.
Once a need is satisfied, it no longer motivates.	Motivators (higher level needs) induce behaviour actively.	Needs (higher level needs) always motivate.
Management must try to satisfy workers, needs from bottom to top (from physiological needs to self-actualisation needs)	The nature of work itself must be the concern of management.	As the lower needs are generally met, management must take care of power, achievement and affiliation needs.

Need Factors in Maslow, Herzberg and McCelland

24

JOB SATISFACTION

Factors Affecting Job Satisfaction

The factors which lead to job satisfaction may be brought under two broad categories i.e., those relating to events and conditions in work settings and those pertaining directly to the people involved in them. In the former category, there would be higher job satisfaction in work that is mentally challenging and interesting, but not too tiring according to Baron. Regarding factors involving other persons, it was found that job satisfaction is facilitated by supervisors, co-workers and subordinates who share major values.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Baron has listed certain factors which influence job satisfaction.[2]

Factor	Comment
1. Challenging work	Work should be interesting, but not fatiguing
2. Rewards for good performance.	Clear contingencies between performance and rewards are desirable.
3. Verbal recognition	Appreciation's, praises and feedbacks.
4. Good working conditions	Physical working conditions should be comfortable.
5. Concerned supervision	Supervisors should demonstrate their concern for helping employees.
6. Positive interpersonal relations	Satisfaction is strongly enhanced by friendly relations with co-workers and supervisors.
7. Effective company policies	These should aid employees to attain goals.
8. Job security	Feeling of job securities for employees.
9. Pay	Belief that benefits are fairly distributed.
10. Participation in decision-making	Employees generally feel that they know much about their jobs and should be consulted.
11. Degree of autonomy and responsibility.	The greater these are, the higher satisfaction tends to be.
12. Role ambiguity.	Individuals wish to know just what is expected of them ; ambiguity should be avoided.

Job Satisfaction and Productivity

The greater the job satisfaction of the workers, the greater would be the efforts they make towards their job ; and resultantly productivity is bound to improve. Hence, there exists a positive correlation between job satisfaction and productivity.

25

MANAGING RESISTANCE TO CHANGE

John Kotter has identified some of the steps for managing resistance to change are as under :

1. Education and Communication : Educating employees about the proposed change before it occurs. It involves discussing ideas and issues with the employees in advance so that they would rationalise the reasons for change.

2. Participation : Motivating employees, from whom resistance is expected, to express their views on the expected changes, potential problems, and modifications. Participation results in commitment as *Alfred Marrow* observed.

---

[2] **John W. Kotter,** *Understanding Productivity*, John Hopkins, Baltimore, 1971, p. 14

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. **Facilitation and Support :** It provides emotional support to employees during the change. Imparting of training for improve skills to the employees so that they would be able to respond effective to the demands caused by the change.

4. **Negotiation :** Negotiate with the employees to accept the change. Some incentives may also be provided for those who resist.

5. **Co-optation :** Giving a key role in decision-making or implementation to the individual or individuals who resist.

6. **Manipulation :** Manipulating people or the situation so as to neutralise the resistance. Selectively using information or scheduling activities and events so as to have some desired effect of resisting employees. For example, getting the approval of majority of people indirectly and individually and then trying to convince the trade union leader.

7. **Coercion :** As a last resort some coercive measures like threatening can be used.

These seven tactics are as under :

The Steps for Managing Resistance to Chance

Tactic	Best for	Advantages in Using this Tactic	Drawbacks
1. Education and communication	Resistance based on lack of information, or inaccurate information and analysis.	Once persuaded, people will often help with the implementation of the change.	Can be very time-consuming if large numbers of people are involved.
2. Participation	Situations in which initiators do not have all the information needed to design the change and where others have considerable power to resist.	People who participate will be committed to implementing change. And any relevant information they have will be integrated into the change plan.	Can be very time-consuming. Participators could design an inappropriate change.
3. Facilitation and support	Dealing with people who are resisting because of adjustment problems.	No other tactic works with adjustment problem as well.	Can be time-consuming, expensive, and still fail.
4. Negotiation	Situations where someone or some group will clearly lose out in a change, and where they have considerable power to resist.	Sometimes is a relatively easy way to avoid major resistance.	Can be too expensive in many cases, can alert others to negotiate for compliance.
5. Co-optation	Very specific situations where the other tactics are too expensive or are infeasible.	Can help generate support for implementing a change (but less than participation)	Can create problems if people recognise the co-optation.
6. Manipulation	Situations where other tactics will not work or are too expensive.	Can be a relatively quick and inexpensive solution to resistance problems.	Costs initiators some of their credibility . Can lead to future problems.
7. Coercion	When speed is essential and the change initiators possess considerable power.	Speed. Can overcome any kind of resistance.	Risky. Can leave peole any with the initiators.

Source : John P. Kotter I.A. Schlesinger and V. Sathe, *Organisation* (Homewood, Illinois, 1979), p. 389.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

26

ORGANISATIONAL RENEWAL

Organisational Renewal is the process of an existing organisation undergoing a renewal and revitalisation by developing its own people to tackle the changes, the organisation may face in its interval and external environment from time to time. An organisation may take into account the following factors in its renewal process :

(i) **Adequate flexibility** must be maintained in every organisation for incorporating necessary changes whenever necessary.

(ii) **Recruiting policy** must take care of the emerging trends of changes, particularly technological changes, so that talents can be attracted to suit the changing organisational needs ;

(iii) No dead-wood should be allowed to corrupt the **organisational climate** ;

(iv) There must be a **proper leadership development** ; first level, second level and third level executives should be ready for a proper transition whenever necessary. The executive resources should be a combination of old and young bloods ;

(v) **A hospitable organisational culture and environment** should be created ;

(vi) There must be a built in provision for self-criticism and correction from time to time, so that a constant would be made for a normal renewal process ;

(vii) **An effective internal communication network** should be maintained so that the changes and developments would be communicated to all concerned resulting in timely changes ;

(viii) **Proper means for renewal and change** must be found combating lethargy and slavery to procedures ;

(ix) **Ways and means for combating vested interests** should be found ;

(x) **Organisational structure, policies and climate** should be able to stand by the objectives and goals of the company ;

(xi) **Commitment and mission** of the people in the organisation and a proper motivation for the same should be given ;

(xii) **A system of periodic evaluation of the performance** in comparison with the objectives and goals must be established so that an organisational renewal would become possible ;

(xiii) There should be a **provision for bringing in new blood to various organisational** positions wherever necessary ;

(xiv) **Top management must take initiative** to have periodical discussions with its executives regarding the organisational changes required to suit the environmental changes ;

(xv) **A method of introspection followed by corrective action** should be introduced with the consent of all the executives and managers in the organisation at all levels ;

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(xvi) **Ways and means for executive training and human resources development** should be developed so that the people in the organisation would be able to update their knowledge ;

(xvii) Ultimately there should be a **periodical overall check-up** of the organisation and corrective action and renewal mechanism implemented and its performance observed, evaluated and updated ; and

(xviii) **Organisational structure may be changed** wherever necessary in accordance with the changes and need for changes.

While organisational development is the process primarily aimed at enhancing organisational effectiveness, organisational renewal is aimed at revitalising the organisation. Actually speaking, both must go together. OD seeks to induce major gains in all the areas of performance by developing people who perform. Organisation renewal, on the other hand, makes constant efforts to bring back the organisational vitality by increasing the efficiency and reducing ineffectiveness, boredom and monotony, OD leads the organisation to productive efficiency, while it helps to make work life more pleasant and satisfying.

Organisation development considers the assumptions about people's need as individuals, as group members, as group leaders, and as members of the organisation. There are certain values to be kept in kind as *Stoner* has put it for incorporating changes in OD Programmes, viz :

(i) **Satisfying human needs and aspirations** is an important purpose of organisational life. Change agents are, therefore, directly concerned with self-fulfillment of the people in organisations ;

(ii) **Encouraging the awareness and development of feelings** as an integral part of organisational life will improve organisational performance ; and

(iii) **Equalisation of power** within the organisation is not only desirable but also necessary for long-run organisational health. Equalisation of power demands an increase the opportunities for subordinates.

During the course of various types of OD programme, these values may facilitate both renewal and change.

27

MARKETING

Marketing is one of the most important activities in modern business. Any product that is manufactured in this widely competitive modern market has to be sold and this requires proper use of marketing. In fact, marketing is one of the four areas that are of great importance to an organisation.

However, the term Marketing, though widely used means different things to different people. A salesman takes marketing to be selling while an advertiser takes it to be advertising. In fact, everybody has his own view of marekting. This view is generally influenced by the person's attitudes, social standing and educational background.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

DEFINITIONS OF MARKETING

Different economists and theorists have given differnt definitions of marketing. In fact, there is no one universally accepted definition of marketing. This is because marketing is a continuously evolving field and hence it is difficult to describe it exactly.

Paul Masur

Paul Masur has defined marketing as "the delivery of standard of living to the society."

This definition is a widely used definition which brings out the main objective of marketing i.e. delivery of standard of living to the society and it is based on this that marketing functions have to be performed.

Philip Kotler

Kotler has stated that "marketing is the beginning and end of all business activities."

This definition, however, is extremely ambiguous in stating what it exactly that marketing involves.

American Marketing Association

According to the American Marketing Association, "marketing includes all those activities that are concerned with the transfer of ownership and possession of goods and services.

This definition, however does, not really describe the functions of marketing.

William J. Stanton

According to *William J. Stanton,* "Marketing is the total system of interacting business activities designed to plan, price, promote and distribute the products and services to present and potential consumers."

Thus, according to *William J. Stanton,*

1. Marketing is a system of business activities.
2. It is designed to plan, price, promote and distribute.
3. The object of action is goods and services.
4. The end or receivers are present and potential consumers.

Implications of *Stanton's* Definition :

1. It recognises marketing as an important function of management.
2. He recognises marketing as a system i.e he is an advocate of system approach to marketing.
3. It recognises consumer satisfaction as an important part of marketing.
4. It recognises need for coordination of various business activities.

Traditional Approach to Marketing

The traditional approach was the first approach that developed with respect to marketing. It was basically a narrow minded and product centric approach that developed when markets were still confined and there was a direct contact between buyer and seller. It basically

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Current

Gandhi Memorial College Of Education Bantalab Jammu

assumed that the customer would be satisfied with what he got. It belived that the producer knew what was good and bad for the customer and the customer would accept what the producer manufactured. Hence, under the approach, it was belived that a producer should be mainly concerned with production and physical movement of goods and services.

The definition of Pyle is one that clarifies what the traditional approach was all about.

According to Pyle, "marketing consists of buying and selling activities."

This definition is an extremely narrow view of marketing and does not take into account various factors like distribution, consumer satisfaction etc. In fact, this narrow view of marketing was what characterised the traditional approach.

The following are the characteristics of the traditional approach which also basically serve as its limitations :

1. Marketing was considered to consist only of production distribution and selling activities.
2. The need for consumer satisfaction was not given any importance by this approach.
3. After sales service were not given importance under this approach.
4. This approach did not pay attention to the sock responsibility of marketing.
5. It was not considered important from point of view of performing functions like planning co-ordination etc.

Modern Approach to Marketing

The modern approach to marketing developed out of the shortcomings of the traditional approach. The modern approach is regarded as a wider and customer-centric approach to marketing. The consumer's needs and wants were recognised as being important by the modern approach. The social responsibility of marketing was also recognised as being an important factor in marketing. Furtheremore, marketing has come to be recognised as an important functional area of management and as such functions such as planning, organising, co-ordinating, controlling etc. have to be applied to marketing as well.

Paul Masur and William Stanton's definitions stand out as indicating the modern approach or concept of marketing. Paul Masur defined marketing as "the delivery of standard of living to the society." Stanton has defined marketing as the total system of interacting business activities designed to plan, price, promote and distribute the products and services to present and potential customers.

The following are some characteristics of modern concept to marketing :

1. It recognises marketing as a system of various interacting business activities.
2. It recognises consumer satisfaction as being an important aspect of management of marketing.
3. It also recognises social responsibility of marketing.
4. It recognises planning, organisation, strategy, co-ordination and control as being important elements of marketing.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Traditional Approach Vs. Modern Approach

Traditional Concept of Marketing	Modern Concept of Marketing
1. Scope	
The traditional concept is mainly concerned with the physical movement of goods and services.	The modern approach recognises marketing as a system of interacting business activities.
2. Functions	
The functions of marketing are extremely limited under traditional concept to production, distribution and selling activities.	Under modern concept, the functions of marketing are varied to include such things as standardisation, product development, management of channels of distribution etc.
3. Research	
Marketing research is not given much importance under traditional approach.	Marketing research is considered as an important function under modern approach.
4. Product Planning and Development	
Product planning and development was not considered important under this approach.	Product planning and development is considered important for the continuing success of the enterprise.
5. Co-ordination	
Co-ordination is not considered very important as activities are limited.	Co-ordination is of great importance under this approach.
6. Needs	
This approach concentrates on the product or seller.	This approach concentrates on the customer.
7. Control	
Control is not considered very important.	Control is considered a very important function.

28

MARKETING MIX

Marketing mix . an important aspect of modern marketing management. Any product that is required to be sold in the market requires a paper marketing mix. Marketing mix is said to be an important element in determining the success of a business enterprise.

Marketing Mix is defined as follows :

"Marketing Mix is a combination of different marketing decision-variables used by the firm in the marketing of goods and services."

Marketing Mix is a broad concept which can be further divided into four categories which are known as the four P's of marketing mix.

1. Product Mix
2. Price Mix
3. Physical Distribution Mix
4. Promotion Mix.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

The various elements of marketing mix can be described as follows :

1. PRODUCT MIX :

It is mainly concerned with the product and product range and various factors related to the product which would ultimately influence the decision of the customer as to whether he wants to buy the product or not. This mix includes details regarding the product, its characteristics, branding, packaging, labelling, after sales service etc. The characteristics of the product include its quality, quantity, size, shape, colour, dimensions etc. All these have to be taken into account while preparing the product mix.

PRODUCT MIX
Product
Brand
Package
Colour
Quality
Shape
Label
Service

PRICE MIX
Price
Pricing strategy
Pricing policy
Original price
Price differentiation
Discount
Allowances
Others factors

MARKETING MIX

PHYSICAL DISTRIBUTION MIX
Sources / Channels of distribution :
(i) Wholesalers
(ii) Retailers
(iii) Agents
(iv) Brokers etc.
Physical distribution :
(i) Transportation
(ii) Storage (warehousing)
(iii) Inventory control

PROMOTION MIX
Personnel Selling :
Advertising :
(i) Radio
(ii) T.V.
(iii) Newspapers
Sales Promotion
(i) Dealer aids
(ii) Promotion tools
Publicity

2. PRICE MIX :

This is mainly concerned with the price that is to be charged to customers. This approach influences the ultimate decision of the customers to buy or not to buy the product. The following are some important considerations in pricing :

(i) Preparing pricing strategy

(ii) Deciding on terms of credit

(iii) Evaluating competitors' policies, etc.

CC-0.Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

3. PHYSICAL DISTRIBUTION MIX

Physical distribution mix is mainly concerned with the physical distribution of goods and services through various channels of distribution. It thus includes two main aspects :

(a) Channels of distribution such as
  (i) Wholesalers
  (ii) Retailers
  (iii) Agents etc. and also

(b) Physical distribution which includes :
  (i) Transportation
  (ii) Warehousing
  (iii) Inventory control etc.

4. PROMOTION MIX

Another important aspect of marketing mix is the promotion mix or how basically the product or service is to be promoted to ensure maximum sale of that product or service. Promotion mix also consists of concepts of personal selling, advertising, publicity and sales promotion. Advertising by itself is vast field where various factors like choice of advertising media, advertising copy, evaluation of advertising policy etc. have to be considered. All this forms part of promotion mix.

Factors affecting Marketing Mix

The factors which affect marketing mix can be classified in two broad categories :

(i) Market factors and

(ii) Marketing factors.

1. Market Fators :

The market factors which affect marketing mix are generally uncontrollable factors over which marketing management has no control and hence it has to adapt to these factors :

(i) Consumer Behaviour : This is the most important market factor. Consumer behaviour is dynamic and forever changing and unpredictable. However, the consumer is the one who will ultimately buy the product and hence it is essential to study the attitudes, needs, desires, interests and characteristics of present and potential customers to ensure that the product sold is in satisfaction of their wants. This is essential while preparing the marketing mix.

(ii) Competition : It is also essential to keep track of what the competition is upto as it is very important for the survival of the business in modern competitive free market economy. It is necessary to evaluate the competitors view point of the customers, the marketing and pricing strategy adopted by the competitor the benefits and weaknesses of product mix. All this has to be considered while preparing marketing mix.

(iii) Diversity of Distribution Channels : The marketing mix also has to consider the diversity of distribution channels to ensure that the product being distributed are being done economically and in the best interest of the company so as to maximise the sales potential.

CC-0. Jammu Digital Preservation Initiative. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

(iv) Governmental Control : Government control is another important aspect to be considered while preparing marketing mix. Fiscal and monetary policies, export import policies all have to be considered while preparing marketing mix.

2. Marketing Factors

Marketing factors refer to those factors which are within the control of management.

(i) Product Planning and Development : It is necessary to pay attention to product planning and development while preparing marketing mix and as constant planning and development helps to give a competitive edge to the product in the market.

(ii) Brand Policy : The brand policy is also important as very often when a brand sells, it creates brand loyalty which ultimately leads to increased sales and better market standing for the company.

(iii) Packaging Policy : A package is what initially attracts a customer and hence the packaging policy too has a great impact on the actual success of the product and hence is an important aspect of marketing mix.

(iv) Distribution Policy : The distribution policy also plays an important role in the marketing mix because unless distribution policy is sound, goods will not reach the market on time for the customer to purchase them.

(v) Advertising Policy : Any good or service that needs to be sold should be advertised policy to ensure that information about the product reaches maximum number of people. Thus, advertising policy is an important factor to be considered while preparing marketing mix.

(vi) Sales Promotion Policy : Besides advertising, other sales promotion gimmicks are often used to attract the attention of customers. This also affects the marketing mix.

(vii) Marketing Research : It is a very important factor for preparing the marketing mix. Marketing research indicates the direction to be taken while preparing marketing mix.

(viii) Price Policy : This is another important aspect to be considered while preparing marketing mix and has greatest impact on volume of sales and profit.

29

MARKETING RESEARCH

Marketing Research is an extremely important area in modern marketing. It is a major function that has to be performed by marketing personnel as it has a final impact on marketing policies and marketing mix. It is mainly concerned with gathering and analysing information which will be finally used in the market decision-making process.

"Marketing Research is the gathering, recording and analysing of data about problems related to the marketing of goods and services."

Thus, marketing research covers the entire broad area of marketing of goods and services.

AREAS OF MARKETING RESEARCH

Marketing research is divided into many areas each of which has an impact and importance in modern marketing.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2023-Grant

Gandhi Memorial College Of Education Bantalab Jammu

1. Consumer Research

This is an important area of marketing research. It is necessary to find out details regarding the consumer, his needs, wants, interests, preferences etc. It is necessary to find out details about prospective consumers such as demographic characteristic i.e. division by age, marital status, income group, occupation etc. and needs and preferences of each particular group. This ultimately helps in market segmentation and concentrated marketing operations towards a particular segment.

2. Market Research

Market Research is concerned with the size, location, geographical, economic, political, social features and characteristics of different markets. It is necessary to study the target market in order to obtain greater understanding of what are the peculiarities and features of the market to enable a concentrated effort to capture a substantial market share to enable the product to be sold well. Thus, market research is an important aspect of marketing research.

3. Product Research

Product research is another important area of marketing research. It is important to determine the product and its various characteristics and its acceptance with consumers. It involves a study of the product of competitors and their acceptance with customers. The product is what will be finally sold in the market and it is essential that the product is thoroughly researched to ensure that chances of failure have been minimised. It also involves making changes to the product and proper product development in adding new features to the product to ensure that the product maintains its competitive strength.

4. Selling Research / Sales Research

Another important area of research in marketing is sales research. Once the product is sold in the market, it is still important to determine what kind of impact has the product had on the market. This involves evaluation of sales volume, sales technique, sales policies, sales strategies, management of sales force etc. all of which need to be researched to ensure that they are headed in the correct direction.

5. Advertising Research

Another important area of marketing research is advertising research which is basically concerned with the advertising of the product or service. Advertising is an important area into which funds of huge amounts are put with a view to increase sales by persuading the people to buy the product. It therefore becomes important that research is conducted in this area to ensure that this advertising has had an impact on the customers in the form of increased sales. Thus, advertising research includes :

(a) evaluation of current advertising strategies to ensure that they have had desired impact,
(b) evaluation of advertising media,
(c) evaluation of advertising strategies of various competitive enterprises,
(d) determination of appropriate advertising copies,
(e) market testing advertising and evaluation of customer response etc.

6. Pricing Research

The price is the monetary value that the buyer pays for a product. It is one of the most important factors in a buyer's decision to buy a product. It is the first thing a buyer considers while deciding on whether to buy or not to buy a product. It thus is an important area which requires intensive research on the part of the marketing management.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh. Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

Pricing research includes factors such as :

(a) evaluation of pricing policy of competitive industries,

(b) determination of pricing policy of product based on research into its impact,

(c) determination of pricing expectations of customers as regards their income, social standing etc.,

(d) adoption of price strategy and competitive study of price strategies,

(e) evaluation of customer response to price strategy etc.

7. Channels of Distribution Research

It is also considered important to conduct research into the various channels of distribution and the channel of distribution which is most suitable from the point of view of the organisation in terms of maximum sales and profitability. Various channels of distribution need to be studied to determine which areas or channels are most suitable for getting the products across to the final market.

8. Marketing Export Research

Research is also required to be conducted in the field of marketing exports. In this day and age with the globalisation of markets, no company can afford to lose track of this aspect and a careful research of various export opportunities available and manner in which it will most benefit the organisation need to be considered. Thus, it is fast emerging as an important area of marketing research.

30

MARKET RESEARCH VS. MARKETING RESEARCH

The terms market research and marketing research are highly confused by many people to be one and the same thing though in fact they are two different but inter-related concepts. Marketing research is of a much wider scope than market research. It involves a lot of different types of research. The differences between the two can be enumerated as follows :

Market Research	Marketing Research
1. Meaning Market research is the study and analysis of data related to the size, location features and characteristics.	Marketing research is the gathering, recording and analysing of data about problems related to the marketing of goods and services.
2. Scope : The scope of market research is limited to the study of markets and consumers in the market.	The scope of marketing research is much wider as it is a system related to study of various marketing problems.
3. Acceptability : Market research by itself is not accepted as the only kind of research that should be conducted by an organisation.	Marketing research is now widely accepted as the function of marketing which needs to be performed by all organisations.
4. Market Vs Marketing : Market research is a component of Marketing research.	Marketing research is a wide area which includes Market research.

CC-0. Agamnigam Digital Preservation Foundation,Chandigarh Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

31

DIFFICULTIES IN MARKETING PLANNING

Marketing planning is an important function of marketing which is concerned with the preparation of a predetermined course of action with an intention to achieve organisation objectives. There are several difficulties associated with marketing planning which have been enumerated below :

1. Hazard in Forecasting the Future :

Any kind of forecasting involves risks as the future is uncertain. Hence, marketing planning also involves a great element of risk which is inherent in planning. There is a possibility that despite planning what is to be done may not be achieved.

2. Uncertainty in Consumer Behaviour :

Marketing planning is ultimately concerned with consumer behaviour which is highly uncertain. This uncertainty of how a consumer will react also brings about difficulties in marketing planning.

3. Vascillating Policy of Government :

The policy of the government too keeps changing which affects the final result as the government policy needs to be adhered to while preparing the marketing plan and if these policy changes often as it does in India, it creates difficulty in marketing planning.

4. Wide Choice of Alternatives :

Planning basically involves choosing a path from among various available alternatives in order to achieve objectives. However, the presence of large number of possible alternatives creates difficulties in marketing planning.

5. Corporate Inflexibilities :

Corporate inflexibilities such as resistance to change, lack of training, lack of experience, difficulty in implementation of plan etc. also create difficulties in marketing planning.

6. Increased cost of Marketing Planning :

The cost of marketing planning has also increased considerably over the period of time as marketing planning becomes more complex requiring greater time, money and effort.

32

BUYING MOTIVES

Buying Motives refer to certain feelings of the customer which induce him to buy, decide or choose alternatives in the process of purchasing of goods and services. They are desires, needs, feelings, stimulus, urge etc. that are felt by a buyer while purchasing which causes him to purchase a commodity.

Buying motives can be broadly classified into :

(a) Product buying motives and

(b) Patronage, buying motives.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

(a) Product Buying Motives : They are motives which are related to the product. These generally includes motives that are related to the customers feelings and instincts about the product and the nature of the product. They are further subdivided into :

(i) Emotional Product Buying Motives :

These are motives which are not related to any rational or logical thinking of the buyer but which come up instinctively or on the spot.

They include :

(i) Pride
(ii) Imitation
(iii) Sex or Romance
(iv) Habit
(v) Affection
(vi) Comfort.

For instance, a person may buy a television after looking at his neighbours or buy a washing machine as a status symbol.

(ii) Rational Product Buying Motives :

These motives are motives to which a person gives great thought while considering the purchase of a product. They include :

(i) Durability
(ii) Suitability
(iii) Convenience
(iv) Utility
(v) Safety
(vi) Economy.

For instance, a person may buy a washing machine as it brings convenience or a particular brand because it is more economical than another.

(b) Patronage Buying Motives :

These are buying motives that relate to a particular location i.e. preference to purchase from a particular place. They can also be classified as :

(i) Emotional Patronage Buying Motives :

These motives include :

(i) Appearance of store
(ii) Recommendations of friends and relatives
(iii) Imitation
(iv) Prestige.

(ii) Rational Patronage Buying Motives :

These motives include :

(i) Credit facilities
(ii) Services provided
(iii) Proximity to home etc.

Different people have different buying motives and different kinds of buyers have different motivations.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

33

CONTROLLABLE MARKETING VARIABLES

Marketing variables are of two kinds : controllable and uncontrollable. Controllable marketing variables are those which are within the control of management and which can be changed by marketing management as when required. These variables include :

(i) Corporate Resources :

These are to the various resources that a marketing organisation has, at its disposal to achieve various organisational objectives.

They include :

(i) Financial resources i.e. capital

(ii) Human resources i.e. labour

(iii) Mechanical resources i.e. assets, plant and machinery etc.

(iv) Physical or Natural resources i.e. raw materials, components etc.

The company uses these corporate resources in the ultimate way in order to achieve the desired result. These resources are within the control of marketing management and can be used by them to improve performance.

(ii) Marketing Mix :

The marketing mix is another controllable marketing variable which a corporation can change as per requirements. This marketing mix comprises of :

(i) Product mix : Which is concerned with the product, product range, features, shape, size, branding, packaging, after sales service etc.

(ii) Price mix : Which is concerned with price strategy, price policy, credit terms, discounts, allowances etc.

(iii) Physical distribution mix : Which is concerned with the various channels of distribution and other factors such as transportation, warehousing, inventory control etc.

(iv) Promotion mix : Which is concerned with various aspects such as personal selling, advertising, publicity, sales and promotion etc.

34

THE MARKETING PLANNING

Marketing planning is to direct the company's marketing efforts and resources towards present marketing objectives like growth - survival - minimising risks - maintain status quo - profit maximisation - service to customers - diversification - image building and so on. On the other hand, a marketing plan is a written document that specifies in detail the firm's marketing objectives and how marketing management will use the controllable marketing tools such as product design - channels - promotion - and pricing to achieve these objectives.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2023-Grad

 Gandhi Memorial College Of Education Bantalab Jammu

The Marketing planning process

An exact sequence of marketing planning varies from firm to firm, at last seven steps are inevitable, viz. :

1. Assessing opportunities and threats.
2. Establishing marketing objectives.
3. Framing marketing strategies and policies.
4. Programming of operations.
5. Developing marketing mix.
6. Designing resource mobilisation plan and
7. Monitoring the operations.

Importance of Marketing planning

The importance of planning lies in the tangible benefits it bring to the planners and planning firms. The points of importance are :

1. Marketing planning helps to foresee the future development.
2. Marketing planning helps to know the opportunities and threats.
3. Marketing planning facilitates management by objectives.
4. Marketing planning exercises management by exception.
5. Marketing planning helps to make optimum use of resources.
6. Marketing planning brings coordination.
7. Marketing planning acts as basis for control.

Essentials of effective planning/planning process

Marketing planning should possess the following basic characteristics to call it effective and more purposive.

These essentials are :

1. Simple.
2. Practical.
3. Selective and Adaptive.
4. Flexible.
5. Precise.
6. Reliable Information.
7. Synthesizing and Synchronising.
8. Motivating.
9. Minimum Paperwork.
10. Direction.

Types of Marketing plans

The marketing plans can be either 'structural' or 'time-span'. Structural plans are the departmental and functional plans. These functional and sub-functional plans are finally integrated into a well-knit master plan. On the other hand, time-span plans refer to short range and long range plans of the firm. Short term plans deal with routine issues while the long range plans with specific problems.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

The problems involved in the Marketing planning

Though planning is an inevitable function of management, the planners are expected to be aware of the basic problems associated with marketing planning. These are :

1. The problem of inaccuracy.
2. The problem of inbuilt inflexibilities.
3. The problem of loss of initiative and drive.
4. The problem of work-pressure.
5. The problem of the cost of planning.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

MANAGEMENT PARLANCE

1. Accept the change.
2. New things are to be tested and then tried.
3. Take on more responsibility. The word responsibility indicates response ability. Coupled with it, it means initiative. It emphasises on proactive approach. Proactive is neither becoming reactive nor doing overactive work.
4. Only responsibility is not important. Accountability for results is important.
5. A situation which smells a high risk needs to be kept under a perpetual watch. People are motivated towards the satisfaction of their needs. Awards are for recognising achievement. Achievement is crossing the target. It is always better to give more rewards. More awards activate people to even greater height.
6. Results require action. Action precedes thinking. Thinking involves consideration of ones existing resources. It covers contemplating possible and perishable resources, factors both controllable and uncontrollable. Assessment of both production and production capacity. Alternatives available. Choice of best course of action. Unification of goal direction action.
7. Action should be in the best interest of the team. As the organisation becomes big, activities become complex and the work becomes multifold and multi-dimensional. It is, therefore, imperative that several people have to join hands together. And hence, *team approach* is indispensable people in a team are having different personalities. They are always in search of a chance to fulfil their personal ambitions while attaining organisational goal.
8. Risk is to be shouldered to reach the attitudes of success. To resolve any probable problem three different methods are used, viz., co-operative, calculative and coercive methods. A calculated risk approach fetches good results.
9. A transparent thinking and behaviour with an openmind is indispensable.
10. The creativity is a combination of several activities which comprise of – substituting, combining, adapting, modifying, arranging, eliminating and playing around.
11. Transparency leads to emotionality. Emotionality leads to sensitivity. Sensitivity leads to openness. Hence, the only magic word to be effective is 'trust-s'.
12. There should be analytical and logical approach. Creativity as well as innovative ideas are to be balanced. Creative ideas arise from hard work and hard thinking. Success comes to those who are dare and act.
13. Share your knowledge. Intellectual selfishness is as bad as material selfishness.
14. There is no substitute for hard work. Thinking is to be broadened.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

15. "Sow a thought, reap an act,
Sow an action, reap a habit
Sow a habit, reap a character,
Sow a character, reap a destiny".
16. In order to survive in a cut-throat competitive era and succeed, cost effectiveness in every sphere of activities is essential.
17. The span of vision of a leader must be very wide. Vision is followed by mission. Mission leads to strategic plans which, in turn, reflects objectives and goals and goals should be specific, measurable, achievable, reasonable and time-bounded.
18. "Running a business without advertising is just like winking at a beautiful girl in the dark, you know what you are doing but does not know it".
19. "To manage a business well is to manage its future and to manage its future is to manage information".
20. Listening is much more intricate and complicated them the process of heading. Hearing is done with the ears, while listening is an intellectual and emotional process that integrates physical, emotional and intellectual inputs in search for meaning and understanding.
21. There should be free wheeling Edison thought of lamp without oil. People laughed to him. But by persistent efforts he invented the principle of electricity. The innovative and creative ability will definitely bring concrete results and also conceptual clarity.
22. An effective manager reviews the work to be accomplished. Prepares a list of activities. In an office, the managers' task covers reading, writing, dictating, listening, communicating, attending meetings, taking decisions, attending to visitors, superiors peers subordinats and so on.
23. An efficient person uses tacts, facts, skills, thoughts, time and imagination.
24. Have a positive, practical and pragmatic approach. Develop logical thinking, visionary approach.
25. Planning implies creativity, innovation and dynamic thinking.
26. Problem of tension can be solved in a following manner :
    1. To become aware of the tension
    2. To search for the cause of tension
    3. To do something about the cause
    4. To master tensions.
27. Judge your policy by the result it brings. Change your policy for the results you desire !
28. Wishing to swim can never make you a swimmer. You will be miles away from swimming, as long as you are on the bank.
29. Misfortunes always come in by a door that has been left open for them.
30. He who knows not, and knows not that he knows not, is a *fool - leave* him !
    He who knows not, and know that he knows not, is *simple – teach* him !
    He who knows, and knows not that he knews, is *asleep – wake* him.
    He who knows, and knows that he knews is *wise* – follow him.

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by MoE-IKS-NMEICT-2025-Grant

 Gandhi Memorial College Of Education Bantalab Jammu

31. How to get rich ?
Plan a financial strategy that works,
Make a balance between debt and liquidity
Negotiate,
Listen to people who make or break the deal,
Rationalise good and bad decisions,
Cut losses and know how and when to use experts.

32. आम्ही चिंध्या पांघरून
सोनं विकायला बसलो
तर ...
गिऱ्हाईक फिरकता फिरकेना !
आम्ही सोनं पांघरून
चिंध्या विकायला बसलो
तर ...
गिऱ्हाईक पेलवता पेलवेना !

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

MANAGEMENT THOUGHTS

1. "Tact is the art of making a point without making an enemy".

Howard W. Newton

2. "Time wounds all heels".

Jane Ace

3. "Tolerance is the positive and cordial effort to understand another's beliefs, practices and habits without necessarily sharing or accepting them".

Joshua Liebman

4. "The price of greatness is responsibility".

Winston Churchill

5. "To get profit without risk, experience without danger, and reward without work, is as impossible as it is to live without being born."

A.P. Gouthey

6. "A good problem statement often includes
   (a) What is known ?
   (b) What is unknown ? and
   (c) What is sought"?

Edward Hodnett

7. "Prejudice is an opinion without judgement".

Voltaire

8. "If a man runs after money, he's money-mad ; if he keeps it, he's a capitalist ; if he spends it, he's a playboy ; if he doesn't get it, he's a ne'er-do-well ; if he doesn't try to get it, he lacks ambition. If he gets it without working for it, he's a parasite ; and if he accumulates it after a life-time of hard work, people call him fool who never got anything out of life".

Vic Oliver

9. "A man who is not a Liberal at sixteen has no heart, a man who is not a conservative at sixty has no head."

Benjamin Disraeli

10. "Management by objectives works if you know the objectives. Ninety percent of the time you don't."

Peter Drucker

11. "There is nothing permanent except change."

Heraclitus

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

12. "Progress is a nice word. But change is its motivator and change has its enemies."

Robert F. Kennedy

13. "Every man has three characters - that which he exhibits, that which he has, and that which he thinks he has !"

Alphonse Karl

14. "Character is destiny".

Heraclitus

15. "A cynic is a man who, when he smells flowers, looks around for a coffin".

H.L. Menckers

16. "I' am not afraid to die. I just don't want to be there when it." happens.

Woody Allen

17. "In order to be a diplomat, one must speak a number of languages, including double talk."

Carey Mc William

18. "Wonder than doubt is the roof of knowledge."

Abraham Joshna Heschel

19. "When it is a question of money, everybody is of the same religion."

Voltair

20. "A pessimist is a man who looks bothways before crossing a one way street".

Laurance J. Peter

21. "Being a philosopher, I have a problem for every solution."

Robert Zend

22. "Science is what you know, philosophy is what you don't know".

Bertrand Russell

23. "Success is simply a matter of luck. Ask any failure."

Earl Wilson

24. "Success is a journey, not a destination."

Ben Sweetland

25. "You have reached the pinnacle of success as soon as you become uninterested in money, compliments, or publicity".

Dr. O.A. Battista

26. "Victory has a hundred fathers but Defeat is an orphan".

Count Galeazzo Ciano

27. "Those who condemn wealth are those who have none and see no chance of getting it."

William Penn Patrick

28. "There is something rarer than ability. It is the ability to recognise ability."

Elbert H. Ubbart

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

29. "In making decisions, we must use the brains that God has given us ; but we must also use our hearts which he also gave us."

Pulton Oursler

30. "Decide promptly, but never give any reasons ; your decisions may be right, but your reasons are sure to be wrong."

Lord Mansfield

31. "Silence at the proper season is wisdom and better than any speech."

Plutarch

32. "Never make a decision yourself, if you don't have to. When one of your men asks you a question, ask him what is the answer ? There is only one answer to many questions, and therefore, this method answers many questions before they are asked. It not only develops your men, but also enables you to measure their ability."

Henry L. Doherty

33. "Keep your face to the sunshine and you cannot see the shadow."

Helen Keller

34. "The man who lose his opportunity, loses himself".

G. Moore

35. "Never trouble, trouble till trouble troubles you" .
36. "A fool may ask more questions in an hour than a wise man can answer in seven years".
37. "Wise man learn more from the fools, than fools from the wise".

Cato, the Censor

38. "Take up an idea. Make that idea your life.
Think of it, Dream of it, Live on it".

Swami Vivekananda

39. "Be wiser than other people if you can, but do not tell them so."

Chesterfield

40. "Nothing can bring you peace but yourself".

Emerson

41. "If you really want the last word in an argument, try saying, I guess you're right".
42. "Intelligence without ambition is a bird without wings."

C. Archie Danielson

43. "The day a person becomes a cynic is the day he loses his youth".

Marvin Levy

44. "It is better to light one candle than to curse the darkness".
45. "To come together is beginning
To keep together is progress
To work together is success '"

Henry Ford

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

Gandhi Memorial College Of Education Bantalab Jammu

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2025-Grant

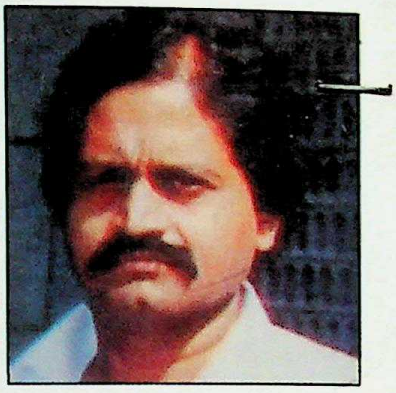
Gandhi Memorial College Of Education Bantalab Jammu

ABOUT THE AUTHOR

Dr. P. C. PARDESHI

M. Com. (Busi. Admn.) **M. P. M.** (First Class First with Distinction) **(Gold Medallist) D. H. E.** (B. U.) **Ph. D.** (Busi. Admn .)

Dr. P. C. Pardeshi, born at Calcutta (West Bengal) received his B. Com. and M. Com. degree from the University of Poona. He Passed his "Master of Personnel Management" Exam (M. P. M.) held by University of Pune in 1980. He stood First Class First with Distinction by securing more than 75 % marks in this examination and was **the worthy recipient of Gold Medal** for his brilliant academic success by Ex. Education Minister Shri. Kamal Kishor Kadam under the Chairmanship of Chief Minister Shri. Sharad Pawar.



Dr. P. C. PARDESHI

His teaching experience covers a span of **Twenty-four years** of various institutions. He is a **Research Guide** in the University and a **Recognised Post-graduate Professor and Head of the Department of Business Administration and Marketing** in Ness Wadia College of Commerce, Pune, besides handling the administration of **N. S. S., as a Programme Officer** in the College. He has **worked as an Expert, on the Marketing Board of Studies of the University of Pune.** He taught as M.E.S. College of Arts and Commerce, Vasco-Da-Gama, Government Polytechnic, Panjim and D.M.'s College of Commerce at Mapusa (GOA.)

He has contributed number of articles, papers in reputed Newspapers Journals and Magazines. He has delivered speeches on All India Radio.

He was **felicitated by All India Students Federation Pune.** He was awarded with **Award by Pune Municipal Corporation** for his outstanding work in the Educational Field on 15th August 1992. The panel of Distinguished judges of Saras Junior Chamber Pune. (Which is affiliated to Indian Junior Chamber and Jaycee International) have awarded **'Outstanding Young Person's Award'** for the year 1994 – 95 to him for his "Academic Accomplishment." In 1996, he was awarded with **Rajiv Gandhi Award.** He was awarded with **"Best Teacher Award"** by All India Jain Federation in 1997. He is the recipient of **"Jan-Jagruti-Puraskar"** in Jan. 1998 and several other prizes and Awards for outstanding social work.

Buttressed by his teaching experience and academic track record, he emerged as a pioneer in writing text books mostly for post-graduate classes. **He has to his credit 78 (Seventy Eight) Text books,** several hand-hooks on a wide gamut of commerce subjects to name a few, Business Administration, Commerce, Marketing Management Accounting Cost Accounting, etc.

He has done Research on "Impact of Inductive and Deductive Approaches to Managerial Decision making in Business Enterprises' in 1985.

SOME SALIENT FEATURES OF THIS BOOK

1. **This is a comprehensive book on Case Studies which is the Fourth thoroughly Revised and Elaborately Enlarged Edition, meets perfectly the requirements of Management students particularly, M.B.A., M.P.M., M. Com., M.M.S., D.B.M. students who are required to study cases in Management.**
2. **This was the FIRST AND ONLY BOOK of its kind when First published in December 1980.**
3. **This book contains 55 case illustrations fully solved on different aspects of management and altogether more than nearly 300 cases on (i) PRINCIPLES OF MANAGEMENT (ii) HUMAN RESOURCES MANAGEMENT (iii) PERSONNEL MANAGEMENT (iv) MARKETING MANAGEMENT (v) INDUSTRIAL RELATIONS (vi) ORGANISATIONAL BEHAVIOUR.**
4. **This book is suitably divided broadly, into THREE parts. The cases based on practical situations that occur in industries which reflect realistics of work situations. Similarly, the cases mostly asked in the UNIVERSITY PAPERS have been incorporated in the book.**
5. **The main intention of this book is to enable the students to face the examination with full confidence and to have different perspective view points to motivate them to study different concepts, issues in any functional area of management, hence every effort has been made to make the book most useful and highly indispensable.**
6. **This book would be also very useful to the teachers, personnel officers, practising managers and a common reader as a very useful tool of learning.**

CC-0 Agamnigam Digital Preservation Foundation,Chandigarh.Funding by IKS-MoE-2021